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NEWS SUMMARY

GENERAL

Ulster tension mounts again

Ulster tensions mounted ...ay as the recalled Con... abruptly broke up in ...k and British police ...omb warnings after the ...ath of hunger striker ...Stagg.

...elfast, Army bomb dis... ...perts were called out to ...uspect bombs and two ...atrols were fired on. No ...ere running through the ...ad, Turf Road and other ...elfast Republican areas, ... of hijacking.

...to bury Stagg, who died ...efield Prison after a 61- ...ger strike, will be dis... by the Dublin Cabinet ...w.

... of a new terror cam... ...ave already led to ...ning of policy security ...n public buildings and ...ave warned people to ...autions, such as looking ... their cars.

... own relatives have con... Sinn Fein attempts to ... on his death, but The ...aid it would not go un...

... defends honours

...n roundly defended his ...e honours system yester... ...n he was criticised in ...nons by a Conservative ... also came under attack ...some Labour back... He said he was aware ...tions that honours had ...d for conditioning the ...MPs, but added: "I have ...ed it."

Secretary Roy Jenkins ... House he was keeping ...nity law under review. ...leared of blame Home ...ials concerned with the ...ncorrect immigration ...arly, Page 16

... gains

...rces now apparently ...f the 14 Angolan pro... ...itals, with every sign ...s reaching its final ...emaining FNLA and ...s seem unlikely to be ...r much more cohesive ... to the Cuban-led ...rces. Bie (formerly ...), the Unita military ...pply base, fell yester... ...pe own, officials met ... the growing Angola ...blem.

...k Page

... back

...ment will move next ... wipe out the embar... ...vote defeat of Wed... ...h, in theory at least, ...ric Varley, Energy ...1,000 of his salary. A ... will be held on a ...store his full £13,000

...man's £500

... awarded £500 to Mr. ... London Undergound ...ho lost an eye and ...aring and nervous ...aged when pushed ...n coaches by soccer ...n May, 1973.

... and places

... militia unit has ...uently recently with ...ders from the Soviet ... China's northern ... the official New ... Agency.

... Commission on the ... submit an interim ... end of this month, ...told the Commons. ...Page 12.

... Keele protested ...exam results, claim... ...ers are too harshly

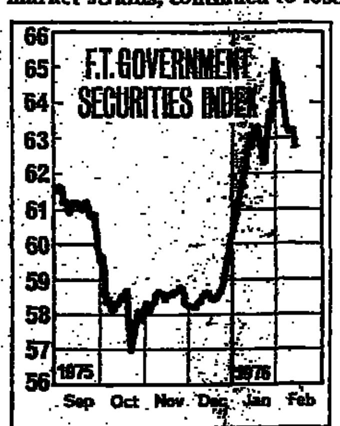
... Swiss Guards now ...t weapon to com... ... mediaeval pikes— ... teargas hidden in ...ous pantaloons.

BUSINESS

Gilts index loses 0.42 as equities dip to 400

● EQUITIES wer equiet, awaiting Mr. Healey's statement, while the large fund-raising issue which had been rumoured failed to materialise. The FT 30-Share Index, down 2.8 at 10 a.m., closed only 0.2 lower at 400.0.

● GILTS, reflecting interest rate fears and international money market strains, continued to lose



ground Falls ranged to ¾. Government Securities Index dropped 0.42 to 62.72, making a fall of 2.42 from the 1975-76 peak on January 30.

● GOLD gained 75c to $131½.

● WALL STREET was 1.34 lower at 970.56 near the close.

● WORKER DIRECTORS issue has led to a fresh row within the TUC, with two of the country's top six unions threatening to oppose the step unilaterally in evidence to the Bullock inquiry. Page 10

Holidays push output down

● INDUSTRIAL PRODUCTION slipped slightly in December, but the setback may have been due partly to longer holidays at the end of the month and it seems that the bottom of the recessionary cycle has been reached. Back Page. EEC can look forward to a growth rate of 3 to 3.5 per cent. this year, says Herr Wilhelm Haferkamp, Brussels Commissioner for economic affairs. Page 7

● LLOYDS BANK loan of £152m. to Bank Handlowy of Poland for a new PVC complex is being guaranteed by the Export Credits Guarantee Department as its largest loan project. Page 4

● NORTON VILLIERS, in liquidator's hands for the past seven months, has won an order for 7,000 motor-cycles a year from the Berliner Corporation of the U.S. Page 8

● HULL SHIP repair yard, part of the British United Trawlers group, is to close, making 276 redundant, because of cuts in the trawler fleet owing to fuel costs and fishing limit problems. Page 8

● BRITISH RAIL is to pull out of an agreement with the Tyne Wear Passenger Transport Executive to set up a joint company to operate the £150m. Metro tramrail system being built in Newcastle. Page 8

● COMMERCIAL VEHICLE importers increased their share of the market to 12.9 per cent. last month compared with 11.2 per cent. in January, 1975, but the sector recorded a 19 per cent. drop in sales. Page 8

SE reorganises public relations

● THE STOCK EXCHANGE is to establish an external affairs department to handle public relations and provide the chairman and senior officials with detailed reports on issues affecting the Exchange.

● PRIDE AND CLARKE, motor distributors, reports more-than-doubled profit in the year to September 30 at £1.31m. (£554,787). Page 20

PRICE CHANGES YESTERDAY

...ice unless otherwise ...dicated)

RISES

...s	19 + 2½
...	118 + 5
...	365 + 5
...	105 + 8
...	250 + 12
...	402 + 7
...V.)	166 + 4
...one	35 + 7
...ian	65 + 3
...c	36 + 4
...ke	160 + 5
...er	138 + 4
...	58 + 5
...	27 + 3
...	44 + 4
...	28 + 8
...noh	131 + 5
... Lands	360 + 20
...	420 + 25

Ayer Hitam	183 + 10
Killinghall	180 + 20
Ocean Resources	43 + 3
Pancontinental	£16½ + 1
Tronoh	70 + 5
Westfield Minerals	140 + 9

FALLS

Treasury 12¾pc '92	£95¼ − ¼
Treasury 7¾pc '12-15	£57⅛ − ¼
Channel Tunnel	54 − 6
Gold Fields Prop.	50 − 4
Haslemere Estates	200 − 5
Huntleigh Group	67 − 4
LCP Hldgs.	69 − 3
Paterson Zochonis	430 − 30
Scottish Inv. Trust	89½ − 3
Sparrow (G. W.)	145 − 5
Sunley (B.)	140 − 8
BP	585 − 5
De Beers Dfd.	302 − 14
Jo'burg Cons.	£19½ − ½
Messina	290 − 15

Move to ease unemployment and boost investment

Healey opens £215m. economic package

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

MR. DENIS HEALEY, the Chancellor of the Exchequer, yesterday unveiled a £215m. economic package aimed at alleviating the unemployment situation and boosting industrial investment.

It is officially estimated that the net effect on employment in the coming financial year will be to create or save some 70,000 jobs.

Less than £140m. is expected to be spent during 1976-77, and after allowance for savings elsewhere—in the shape of lower unemployment benefit and higher tax receipts—the Treasury puts the projected net cost to the public finances at £60m. for the 1976-77 financial year.

The measures can be divided into three broad categories:

1—Direct help to jobs and training via a doubling of the period covered by the Temporary Employment Subsidy to a year; the straight "creation of up to 25,000 more jobs; provision of up to 35,000 extra training places; and continuation of the £5-a-week recruitment subsidy for school-leavers.

(Just over £100m. of the gross cost of the total package is accounted for by these direct employment schemes).

2—Official investment assistance to industry.

Following the "modernisation and restructuring" schemes whic hhave already been introduced for the wool-textile, clothing, machine tool and ferrous foundry industries, the Government is extending the scope of the ferrous foundry scheme and adding printing machinery and non-ferrous foundries to the list—at a total cost of £55m., but only £18m. in the 1976-77 fiscal year.

3—Help for the hard-pressed construction industry via a further £50m. of funds to be concentrated on the improvement of public sector housing in the short-term.

Projects will have to be started quickly and finished before the end of the 1976-77 financial year.

● INDUSTRIAL investment: £55m. more under Section 8 of Industry Act for modernisation and restructuring of "important sectors" of industry.

● STOCKBUILDING: NEB to discuss with machine tool industry ways of financing machine tools stockpiles.

● CONSTRUCTION: £50m. more for public sector housing projects to be finished before end 1976-77 financial year.

● TEMPORARY Employment Subsidy: Period of entitlement extended from six to 12 months; minimum size of qualifying redundancy down from 25 to 10 workers. Cost £16m.

● JOB CREATION Scheme: Further allocation of £30m.

● TRAINING: Manpower Services Commission to provide up to 35,000 extra places in industry for £55m.—from August.

● FURTHER education: Ministers to study its possible use to soften impact of unemployment on school-leavers.

● DEVELOPMENT Commission: Additional £1m. to build small factories in rural areas in next 12 months.

It is highly significant that no formal Government money is committed in this package to the sort of industry stockpiling schemes for machine tools which have been urged by the TUC and others.

Both the Government and the European Economic Commission are lukewarm, at best, about such proposals.

It has been left to Lord Ryder, who enthusiastically pushed this proposal at the National Economic Development Council, to develop such schemes under the auspices of the National Enterprise Board.

One of the main points about the measures—announced in a brief statement by the Chancellor to the Commons yesterday—is that the size of the package is appreciably greater than had been intended as recently as a week ago.

By announcing a large "gross" cost and smaller net cost (with the added sweetener that about one-third of the expenditure will not take place until after 1976-77), the Government is trying to reconcile its desire to please both the TUC and critics of public expenditure.

Continued on Back Page

Editorial comment Page 18 ● Parliament and other reaction to measures, Page 16

NUM executive bans overtime in narrow vote on colliery closure

BY ROY ROGERS, LABOUR CORRESPONDENT

MINERS LEADERS yesterday called a potentially damaging national overtime ban to operate from next Monday in protest at the National Coal Board's decision to run down Langwith colliery in Derbyshire.

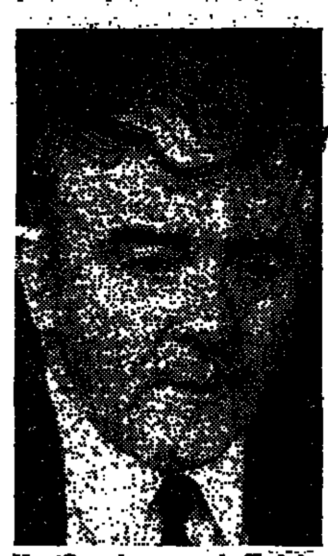
But the decision, carried by a single vote on the National Union of Mineworkers executive, was taken more by accident than design, and it remains to be seen how strictly the ban will be applied.

Abstaining

With two moderate executive members absent yesterday, and two other executive members abstaining, the vote to impose the ban was carried by 11 votes to 10—much to the surprise of those present.

It will greatly embarrass the union's moderate president Mr. Joe Gormley and Mr. Mick McGahey, the Communist vice-president, who are due to meet both sides of the electricity supply industry next week to urge a greater use of coal in power stations.

If the ban is applied strictly, it would virtually eliminate week-



Mr. Gormley . . . baffled by decision.

end maintenance and safety work by NUM members, which would delay the Monday morning production shift from Monday week. Hardly any coal is actually produced in overtime.

Meanwhile coal stocks are running high with some 29½m. tons held either by consumer like the Central Electricity Generating Board and the British Steel Corporation (18.6m. tons) or by the NCB itself (£10.9m.).

Last night a spokesman for the NCB said it regretted the decision, while NUM president Mr. Gormley declared himself baffled by the decision "unless politics had entered into it."

In favour

Mr. McGahey who spoke against the ban but abstained in the voting was in favour of seeking more talks with the NCB.

About 880 miners work at Langwith and all have been offered alternative employment at the nearby Shirebrook pit—where £16m. is being invested—or Warsop colliery.

The Board has decided that it is not economically viable to develop Langwith further, as it would take an estimated £2m. to open up a new seam which even then would be very narrow. A mining engineer engaged by the NUF came to broadly the same conclusion.

NUM area conferences are expected to be held over the next week when some reaction to the ban is anticipated. If this reaction is strong enough a special meeting of the NUM executive could be called to review the decision.

Miners last staged a national overtime ban at the end of 1973 when seven weeks of sanctions preceded the 1974 miners' strike, which in turn led to the three-day working week and the fall of the Heath Government. The present ban is not designed to support pay negotiations. Yesterday the NUM executive agreed by an overwhelming majority to accept a £6-a-week pay offer made by the National Coal Board in informal talks.

Foreign exchanges quieten down

BY COLIN MILLHAM

INTERVENTION in the foreign exchange market by the European Central Banks continued yesterday, but was on a smaller scale than on previous day this week. The closure of the New York market for Lincoln's birthday, a pubic holiday, led to rather quieter conditions than earlier in the week.

The French franc remained at the lower limit of its range within the European currency "Snake," while the West German D-mark was again close to its ceiling.

The European "Snake" is the agreement between five members of the EEC to maintain their respective currencies within certain agreed limits.

The market sources suggested that the Banque de France sold about DM50m. and between $50m. and $70m., compared with about $200m. on Wednesday, in support of the franc.

Speculation about a possible realignment of currencies within the Snake continues, despite recent denials from both Paris and Bonn that any devaluation of the franc or revaluation of the D-mark is being considered. Markets now await the outcome of the Franco-German summit meeting which began in Nice yesterday.

Following withdrawal of Banque de France support at the close of Continental markets, which shut one hour before London, the franc lost ground sharply, ending at Frs.4.46875 against the U.S. dollar, compared with Frs.4.4540 on Wednesday.

In Frankfurt the West German authorities bought Frs.80m. to help the franc, a surprisingly small amount of assistance considering the reported agreement betwee the the French and Germans to take joint action in the market.

The Dutch and Belgian Central Banks gave further support to the Belgian franc in accordance with their own joint float agreement. But there was no indication of any further intervention by the Swiss authorities.

The Bank of England also remained out of the market, as sterling's trade-weighted depreciation remained unchanged at 30.5 per cent. after falling to a record low of 30.6 per cent. earlier in the day.

Sterling lost 35 points against the dollar to close at $2.0260. Apart from its improvement in terms of the pound and the French franc, the U.S. unit showed little movement against other major currencies, while the lira failed to record any improvement following the news of the formation of a Government in Italy.

Giscard and Schmidt meet, Page 6

£ in New York

—	Feb. 11	Previous
Spot	$2.0310-0315	$2.0280-0290
1 month	0.58-0.55 dis	0.85-0.80 dis
3 months	2.22-2.17 dis	2.14-2.08 dis
12 months	7.85-7.56 dis	7.54-7.44 dis

FEATURES

For latest Share Index 'phone 01-246 8026

Commission on the law to be set up

BY A. H. HERMANN

THE SETTING-UP of a Royal Commission to inquire into the legal profession was announced by the Prime Minister in the Commons yesterday.

It will "inquire into the law and practice relating to the provision of legal services in England and Wales and consider whether any, and if so what, changes are desirable in the public interest in the structure, organisation, training, regulation of and entry to the legal profession."

The chairman and members of the Commission will be announced later. Mr. Wilson also said that the setting up of a separate inquiry into the Scottish legal profession was being urgently considered.

He said that the Commission would consider arrangements for determining lawyers' fees, and whether these should come out of the client's pocket or, through legal aid, out of public funds. The inquiry will also cover restrictive rules preventing people who are not barristers or solicitors from undertaking conveyancing and other legal business.

Mrs. Margaret Thatcher, Leader of the Opposition, underlined the need for the legal profession to remain independent. She urged the Prime Minister to take the "widest consultations" on the membership of the Commission which should command the confidence of public and professions alike. Mr. Wilson agreed but added that it would be inappropriate to appoint a lawyer as chairman.

Both the critics of the legal profession and its supporters are aware that the composition of the Commission will decide whether it will be a means of speeding up reform or merely an instrument of shelving the matters on which, as Mr. Wilson said, a great public anxiety has been expressed.

Areas for discussion

COMMENTING on Mr. Harold Wilson's announcement in the Commons, Mr. E. N. Liggins, President of the Law Society, welcomed the setting up of the Commission as an opportunity to dispel misconceptions manifested in the "recent spate of ill-informed criticism of the legal profession."

This criticism has been mainly directed at what is considered to be excessively high cost of legal services and certain of the restrictive practices, explained by historical development but no longer justified by present needs. The conveyancing monopoly is one of them.

Equally important is the rule that a QC—as a senior member of the Bar—may not appear in court without a "junior." This rule is probably not going to be defended as strongly as the division of the profession into barristers and solicitors, already abandoned in other Common Law countries—the U.S., Canada, Australia and New Zealand.

Closely connected with the question of costs is the rule that in criminal proceedings each of the accused has to have his own defence counsel—a rule that critics argue is justified only if there is a real conflict of interest.

The administtarion of legal aid has been suggested as needing some streamlining. At present it lies in the hands of the Law Society, in respect of civil litigation, and the Home Office—but primarily determined by magistrates and judges—in criminal proceedings.

On the civil side one of the greatest shortcomings appears to be that only the very rich, or the very poor who are legally aided, can dare to take their disputes to court. The middle income groups cannot obtain legal aid and face the possibility of financial ruin in case of an unsuccessful litigation.

Another problem which is likely to occupy the Commision is the distribution of practising lawyers. The prevalence of property disputes in the past has resulted in a concentration of lawyers in high income districts; in lower income districts, where they are needed because of tre incidence of social security and employment problems, there is a shortage.

The Commission will be hardly able to consider the problems of the legal profession without taking into account the possibilty of change in its role resulting from a reform of the legal system itself. This concerns a simplification of the civil process and an expanded role for judges in the civil and criminal process.

The cost of legal services—and often even the need for litigation—is likely to be reduced by the consolidation and codification of low new being pursued by the Law Commission.

Though few lawyers contest the need for reform, many seem to be unhappy about the timing of the inquiry.

The need is for a global 'snake'

BY C. GORDON TETHER

THE PRINCIPAL moral of the new exchange market upheaval that has been producing such disorderly movements in major currencies is that we cannot afford to lose any time in moving back towards the fixed but adjustable parities system if hopes of reversing the present global recession are not to set at nought by the growth of international monetary turbulence. An enlargement of the European "snake" offers the best way of making a start. And, this being so, it is important that, from now on, the recruitment is encouraged by presenting it as a global collaboration exercise rather than inhibited by putting the emphasis on its potential for promoting the economic and monetary unification of EEC countries.

We once again have a situation in which the values of major currencies are being subjected to big changes in relation to one another that have little or no economic justification. In many other cases, such changes are being averted only through massive support operations which generate embarrassments of other kinds.

The claims of the floating rates devotees that world economic activity flourishes best with maximum permissiveness in the currency markets have thus been finally disproved. What, indeed, is now apparent is that, unless the permanent re-establishment of orderly conditions *there is made a first priority*, the difficulties already being experienced in getting the world back on a growth footing may well be aggravated by that worst of all evils — international currency warfare.

Making a start

This is all too apparent from the violence of the initial reactions to the drop in the Italian lira.

Now that the "mindless monster" known as the Euro-currency market has been allowed and encouraged to assume proportions that make its rampages more and more difficult to contain, there is no simple way of giving the currency markets back their former orderliness. But a start has clearly got to be made somewhere if the world is not to continue drifting towards disaster.

The obvious way of doing so is by setting up more clearly defined aims for the plan for wider central bank collaboration in stamping out "erratic and unjustified" currency movements that was agreed at the Jamaica conference. And there could hardly be a more appropriate aim for it than providing backing for a global version of European "snake" stabilisation operation.

The "snake" is, of course, just an arrangement for controlling movements in exchange rates that is designed to leave room for reasonable flexibility while preventing excesses. And although it has tended to be seen as being closely identified with the Common Market, it can in its present form just as easily embrace other countries—as, indeed, is evident from the fact that some Nordic countries that are not members of the EEC are participating in it.

There can be little doubt that, if all the major countries could be brought within the scope of a mechanism of this kind which had the weight of the new central banks' collaboration scheme behind it, the world would have taken a decisive step towards the creation of the new fixed but adjustable parities system we badly need.

But there can also be little doubt that it would be a good deal easier to interest non-participating European countries in the idea if the EEC integration enthusiasts ceased to treat the "snake" as though its sole purpose was to spearhead the advance of economic and monetary union within the Common Market. And integration visionaries have had a lot to say in recent months about promoting its use *in this connection*

Becoming involved in the European "snake" by way of collaborating in global currency stabilisation is, of course, an entirely different matter from becoming involved in it in connection with the promotion of EEC economic and monetary union. And some of those favourably disposed to the idea if identifying themselves with it for the first of these purposes might not at all care to see their participation being interpreted as denoting a readiness to involve themselves in advanced aspects of European integration.

Recent events have pointed up the serious disadvantages that an EEC country may incur by getting caught up in Community integration plans. But they have also shown how greatly the world as a whole would benefit from closer collaboration in re-establishing international monetary law and order. The obvious conclusion is that countries outside the "snake" should be encouraged to join on a clear understanding—that doing so carries no explicit and implicit obligation to go along with the economic or monetary unification of the Community as such.

RACING BY DOMINIC WIGAN

A fine trial hope for Newbury

IN WHAT promises to be the most informative Daily Express Triumph Hurdle trial to date I expect to see *Soldier Rose* outclass the opposition in to-day's Stroud Green Hurdle (3.30) at Newbury.

The Findon four-year-old, of whom Capt. Ryan Price has always held a high opinion, could hardly have ben more impressive when making his first appearance over the minor obstacles in a division of the Middlesex Hurdle at Kempton recently.

Always travelling smoothly and well within himself in the lead, Soldier Rose found no difficulty in drawing clear of his 14 opponents three flights from home when given the office by Paul Kelleway. At the line he had eight lengths to spare over the favourite, Textron, with Brig the same distance away in third place.

Soldier Rose, who has plenty of scope for further improvement, looks likely to follow up at the main expense of Valmony and Tarot, the first and second in the Stourbridge Hurdle at Wolverhampton on January 19.

Even if Fred Winter and his stable jockey, John Francome,

NEWBURY

1.30—Sea Brigand
2.00—Snow Flyer***
2.30—Charlie Mouse
3.00—Ceol-Na-Mara
3.30—Soldier Rose**
4.00—Well Briefed

KELSO

2.45—Calculator
3.15—Cumbria
3.45—Double Gem

fail to take the Stroud Green Hurdle through Tarot, they should have at least one winner, for *Snow Flyer* turns out for the Ogbourne Novices' Hurdle (2.0).

Mrs. Enid Boucher's highly rated five-year-old, who has missed several tempting opportunities to go for this event since slamming Doo'Cot Park in a similar event at Ascot a month ago, ought to have little difficulty in completing the double. Another ex-Irish gelding, *Strombolus*, who ran out an easy winner from Parkhill at Navan in November, may follow him home.

Another Uplands runner, *Soloning*, who caused such an upset on his return to the track after two seasons' absence, when making virtually all the running to beat the 100-30 on The Dikler by eight lengths at Chepstow three weeks ago, will be many backers' choice for the Harwell 'Chase (3.0).

Although he seems sure to go close I doubt if Soloning is capable of giving 10 lbs to the progressive *Ceol-Na-Mara*, a creditable second to St. Swithin at Fontwell on his only previous appearance this term.

At to-day's only other meeting, Kelso, where Arthur Stephenson is by far and away the leading trainer, *Calculator*, *Cumbria* and *Double Gem* should all oblige for his prolific Bishop Auckland establishment.

SALEROOM BY ANTONY THORNCROFT

Old recorders top £5,000

CHRISTIE'S had no problem with a Victorian furniture sale which totalled £99.672 yesterday. Virtualyl all lot were sold.

An exceptionally good price of £13,000 (Franklyn) was paid for an ornate French ormolu mounted and inlaid jewel cabinet, designed by C. Rossigneux and made *in 1873* by P. Christofle and Henri Bouilhet. The saleroom had estimated it would sell for around £10,000.

Another elaborate Victorian piece, a walnut centre table with a circular top, enriched with views of Rome around a central panel of Romulus and Remus, was brought by Partridge Fine Art for £5,500, over duoble its forecast.

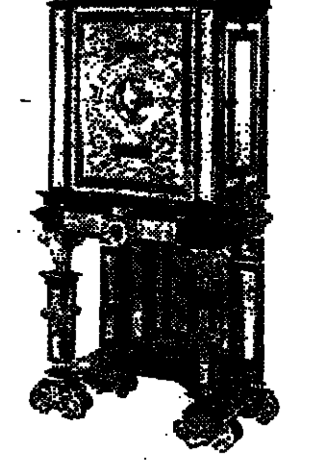
As usual, carpets did well, with a private buyer paying £6,000, also double the estimate, for a Kashan silk embossed carpet, while an Austrian buyer gave £3,800 for a large Kashan carpet.

Other interesting prices were £3,200 (private buyers) for a Louis Philippe tulip wood side-cabinet, and £220 from Leggatt, bidding on behalf of the National Portrait Gallery (which has been active in the auction rooms this week), for a Carrara marble bust of Robert Stephenson.

Christie's sals of vintage port, sherry, and cognac made £27,080, and suggested that vintage port prices are on the rise again. For example, a dozen bottles of Qunita do Noval 1931 sold for £310.

The feature of a musical instrument sale at Sotheby's was the high prices paid for two treble recorders mide in the heyday of this instrument.

A late 17th-century recorder by Joseph Bradbury, who probably worked at Stapleford St. Mary, near Hertford, was bought by the Metropolitan Museum of New York for £2,900, and a recorder by Thomas Staneby, dating from the second quarter of the 18th century, was acquired privately for £2,300. The prices were about as expected.



The Ormolu clock that fetched £43,000.

As usual, violins fetched the top prices. A London agent, Pearson, gave £7,800 (against £3,000 estimate) for a violin with a Stradivarius label dated 1713, probably containing some of his work.

The rest of the instrument is attributed partly to Nicholas Lupot of Paris and Guarneri of Mantua.

In other sales, Sotheby's sold silver and plate for £26,610, with the highest price, £980, for a heavy Italian water stoup, C.1740.

Bonham's disposed of furniture for 18,832, Hobbs paying £2,300 for an 18th-century Continental oak cabinet.

Robson Lowe held one of its occasional stamp sales in Melbourne, top price of £900 for a set of Fiji, 1902.

PRINTING COSTS RISE 1.3%

Average printing costs, excluding materials, have risen by 1.3 per cent. over the past three months, bringing the total rise since January 31, 1975 to 27.6 per cent., the British Printing Industries Federation reports.

WINTER OLYMPICS

Dope ruling angers Cze

INNSBRUCK,

A SECOND doping row broke out to-day over East European efforts to combat the influenza which has swept through most teams here.

The Czechoslovak ice hockey team was to-day deprived of its Tuesday victory over Poland because its captain Frantisek Pospisil had failed a doping test after taking anti-cold pills administered by his team doctor.

The Czech ice hockey federation president, Zdnek Andrst, said later that his country regarded the decision as unjust because it did not take into account his team's state of health.

Earlier, the International Olympic Committee (IOC) had taken away a bronze medal from the Soviet Union's greatest woman cross-country skier, Galina Kulakova, for a similar reason.

In both cases, the IOC Medical Commission ruled there were extenuating circumstances and allowed the athletes to return to competition. Miss Kulakova has since won a bronze medal, and a gold for her share in the Soviet women's cross-country relay victory to-day.

Only two gold medals were at stake to-day, and the Russian women's smooth win in the 4 x 5 kms cross-country relay brought their gold medal total to 11.

In the relay Raisa Smetanina collected her second gold medal. The Soviet squad finished in a total 1 hour 7 minutes 49.75 seconds, almost a minute better than Finland 1:08:36.57), with East Germany third in 1:09:57.95.

Miss Smetanina, 22, added to-day's medal to her gold in the 10 kilometres and silver in the five kilometres individual events.

The U.S. won another speed skating gold when Peter Mueller 21, from Milwaukee took the men's 1,000 metres, a new event on the Olympic programme, by more than one second.

Mueller clocked 1 minute 19.32. The silver went to Norwegian Jorn Didriksen 23, an Oslo businessman, whose time was 1:20.45. Valeri Mur... was third in 1:20.57.

TO-DAY'S PROGRA...

9 am: Biathlon ... men's 1,500m. sp... 11.30 am: women's ... 1, 4 and 7 pm: ... 1.30 pm: four-seat... 6.30 pm: women's f... free.

Reuter.

Rosi Mittermaier of West Germany, who bids for gold medal in to-day's women's giant slalom, foll... victories in the downhill and special slalo...

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University. 9.30 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 To-day at the Winter Olympics. 1.45 Andy Pandy. 2.02 For Schools, Colleges. 3.25 Pobol y Cwm. 3.58 Regional News (except London). 4.00 Play School. 4.25 Barbapapa. 4.35 Jackanory. 4.50 Wacky Races. 5.00 Crackerjack. 5.40 Ivor the Engine.

5.45 News.
6.00 Nationwide.
6.45 Sportswide.
7.00 Olympic Grandstand.
8.00 The Liver Birds.
8.30 Steptoe and Son.
9.00 News.
9.25 Olympic Grandstand.
10.35 To-night.
11.05 Film '76.
11.35 Weather/Regional News.
†11.37 The Friday Film: "The Small Back Room," starring David Farrar.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 6.00-6.22 Wales To-day. 6.22-6.45 Heddiw. 8.30-9.00 Crwydro Clawdd Offa. 10.35-11.05 Kane on Friday. 11.05-11.35 Folk Club. 11.35-11.37 News for Wales.

Scotland—10.23-10.43 a.m. and 11.00-11.20 For Schools. 6.00-7.00 p.m. Reporting Scotland. 8.30-9.00 Current Account. 11.05-11.35 Steptoe and Son. 11.35-11.37 Scottish News.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.00 Scene Around Six. 11.05-11.35 Look Who's Talking. 11.35-11.37 Northern Ireland News.

England—6.00-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 11.05-11.35 North (from Leeds) The Commune; North-West (from Manchester) Home Ground; North-East (from Newcastle) Viewpoints; Midlands (from Birmingham) Master Craftsman; West (from Bristol) The West Country; South-West (from Plymouth) Peninsula; South (from Southampton) A Throne of Kings; East (from Norwich) On Camera.

BBC 2

7.05 a.m. Open University.
11.00 Play School.
5.50 p.m. Open University.
7.05 Dressmaker.
7.29 Weather.
7.30 Newsday.
7.50 Landscapes of England.
8.15 The Money Programme.
9.00 Oscar Peterson's Piano Party.
9.45 Get the Drift.
10.15 Fall of Eagles.
11.10 Newsnight.
11.25 Closedown: Joy Parker reads "Mirror" by Sylvia Plath.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Pipkins. 12.30 Paint Along With Nancy. 1.00 First Report: News, plus FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.30 Galloping Gourmet. 3.00 The Big Valley. 3.55 General Hospital. 4.20 The Georgian House. 4.50 Magpie. 5.20 University Challenge.

5.50 News from ITN.
6.00 It Could Happen To You.
6.35 Crossroads.
7.00 Sale of the Century.
7.30 Yes—Honestly.
8.00 Hawaii Five-O.
9.00 Bouquet of Barbed Wire.
10.00 News.
10.30 Police Five.
10.40 Russell Harty.
11.30 The Collaborators.
12.30 a.m. Rites and Ritual.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Food File. 2.30 Friday Afternoon Film: "The Forgotten Man." 6.00 About Anglia. 8.00 The Magician. 10.30 Probe. 11.00 Hawkins. 12.20 a.m. Your Music At Night.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.30 The Friday Matinee: "Three's A Crowd." 5.20 Indoor League Championship of Champions. 6.00 ATV Today. 7.00 Yus My Dear. 7.30 Sale Of The Century. 8.00 Hawaii Five-O. 10.30 Extra Time. 11.00 The Monster Movies: "Frankenstein Meets The Wolf Man."

BORDER

†1.20 p.m. Border News. †2.30 Friday Matinee: "Information Received." 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 8.00 Hawaii Five-O. 10.30 Border Parliamentary Report. 11.00 Late Night Film. "The Werewolf." †12.25 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 2.00 The Friday Matinee: "Female Artillery." 6.00 Report At Six. 7.00 Treasure Hunt. 7.30 The Streets of San Francisco. 8.30 Yus My Dear. 10.30 The Thrillseekers. 10.50 Late Night Film: "Macabre." 12.05 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.30 Out Of Town. 3.00 The Saint. 6.00 Grampian Today. 7.00 At Home With Kenneth McKellar. 7.30 Sale Of The Century. 8.00 Hawaii Five-O. 10.30 Indoor League Championship of Champions. 11.00 The Late Horror Show: "The Mystery of the Wax Museum," followed by Road and Ski Report. 12.30 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †2.30 Friday Matinee: "Assignment Redhead." †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Space 1999. 7.35 Sale Of The Century. 8.05 The Magician. 10.30 Kick-Off. †11.05 For Adults Only: "The Pumpkin Eater," starring Peter Finch and James Mason.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.30 Out of Town. 3.00 Griff. 4.20 A Place to Hide. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 7.30 Sale of the Century. 10.30 Sweet Somerset. 11.00 Banacek.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20-4.50 Sesiwn Cantamil. 6.01-6.18 Y Dydd. 10.30-11.00 Outlook.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 2.30 Out of Town. 3.00 The Inheritors. 5.20 Laceybuttonpoppers. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Six Million Dollar Man. 7.30 Sale of the Century. 8.00 Combat. 10.30 Ways and Means. 11.00 Late Call. 11.05 "Massacre of Glencoe," starring James Robertson Justice.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women only. †2.30 The Friday Matinee: "The Straw Man." 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day By Day (Channels 6, 11, 27, 42, 36 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66). 6.35 Out of Town. 7.05 Two's Company. 7.35 Hawaii Five-O. 8.30 Yus My Dear. 10.30 A Southern Report. 11.00 Shaft. 12.20 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.30 The Saint. 3.25 Farmhouse Kitchen. 6.00 North East News. 6.05 Division. 7.00 Candid Camera Classics. 7.30 Sale of the Century. 10.30 Sportstime. †11.00 The Friday Night Film: "The Creature from the Black Lagoon." 12.30 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. †2.30 Friday Matinee: "The Squeaker." 4.18 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 7.00 Yus My Dear. 7.30 The Magician. 8.30 Sportscast. †10.30 Friday Film: "The Ceremony," starring Laurence Harvey.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 The Friday Matinee: "Female Artillery." 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 7.30 The Streets of San Francisco. 8.30 Yus My Dear. 10.32 Westward Late News. 10.35 Late with Danton. †10.50 Late Night Film: "Macabre." 12.05 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.55 Houseparty. 3.25 Farmhouse Kitchen. 6.00 Calendar. 7.00 Man About the House. 7.30 Sale of the Century. 10.30 Calendar Sport. †10.45 The Friday Film: "Return of the Fly."

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 Rosko's Round Table. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Bury (S) including 6.15 Contact. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Contact. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m. only (also 202m. Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Treble Chance Knockout Quiz. 7.30 Play It Again (S). 8.02 John Gregory conducts the BBC Radio Orchestra (S). 9.02 Friday Night Is Music Night (S). 10.02 Sports Desk. 10.05 Time For Old Time at the Radio 2 Ballroom (S). 11.02 Tennis report. 11.03 Len Jackson with The Late Show (1,500m. only, also 202m. Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only.

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Britten (S). 10.00 BBC Northern Ireland Orchestra (S). 10.45 Composer's Portrait (S). 11.45 The Baroque Oboe. 12.15 p.m. Midday Concert—Part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert—Part 2 (S). 2.00 Swansea University Concert (S). 3.10 Schubert chamber music (S). 3.35 The Shostakovich Symphonies (S). 4.40 Leeds International Piano Competition (S). 5.25 Pied Piper (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 Music From Pebble Mill—Part 1 (S). 8.15 Anglicans and Atheists. 8.35 Concert—Part 2 (S). 9.30 Melanie Sunday 1965 by Tom Boswell (reading). 9.50 Ralph Kirkpatrick harpsichord recital (S). 10.00 Music Now. 10.40 Smetana and Martinu concert (S). 11.25-11.30 News.

Radio 3 VHF only—6.20-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer For The Day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought For The Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk. 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice Of The People (‡ from 9.40). ‡10.00 News. ‡10.05 Checkpoint. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Something To Declare. ‡11.50 When Music Was Magic. 12.00 News. 12.02 p.m. You and Yours. 12.27 Oh, Get On With It! ‡12.55 Weather and programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00), including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report, VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Top Of The Form. 6.45 The Archers. 7.00 News Desk. 7.30 Pick Of The Week. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending . . . 11.40 News.

For Schools (VHF only) 9.00 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Home Run, including 5.00 and 6.00 London News Desk. 6.10 Carry On Councillor. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Platform for a group with something to say. 10.03 Single File. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

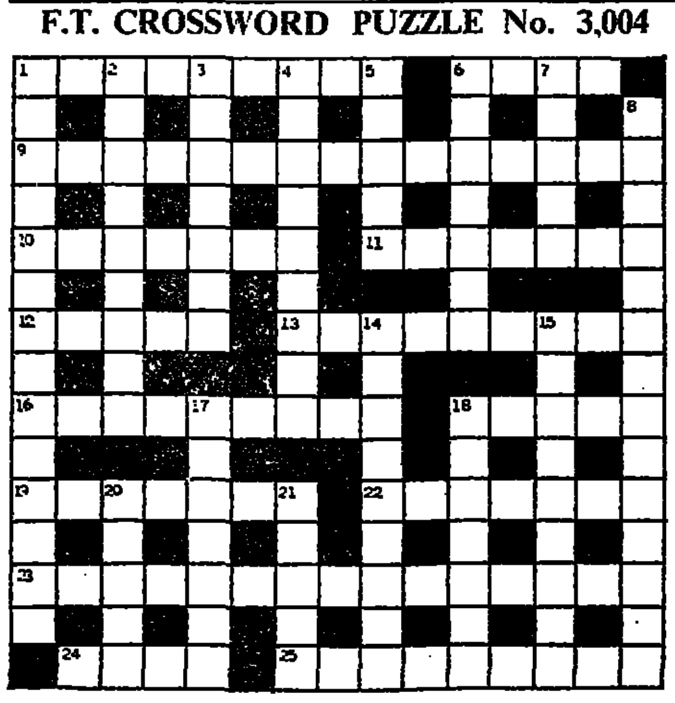
5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hales. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Arena. 9.00 David Bassett. 1.00-5.30 a.m. Nightwatch.

Capital Radio

194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,004



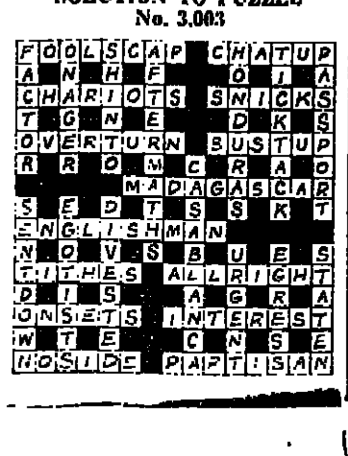
ACROSS

1 The French strip a washer . . . (9)
6 . . . and what she may use is not quite so apt (4)
9 A proposal to make two (5, 2, 8)
10 Acute but just in time (7)
11 Put down sediment (7)
12 Keep complaining of internal pain . . . (5)
13 . . . or a servant with internal pain? (9)
16 Colloquially expected brief diagram of two Yorkshire rivers (7, 2)
18 The language in which to dodge obligations? (5)
19 Momentum? Could be I'm upset (7)
22 Wells up? Yes, in disguise (7)
23 Possess, close at hand—or not far away (4, 2, 4, 5)
24 I'd left a part of it not working (4)
25 Yes, trendy, but it could be awful inside (9)

DOWN

1 Appearing grotesque—or just a mess (7, 1, 6)
2 Not suitable — or badly tailored (9)
3 Upset and angered badly (7)
4 Made weak—weak in the end (9)
5 Green turf from south part of hospital (5)
6 Shave right for a fiddler (7)
7 A lot collect together (5)
8 Assembling at centre of journey and compromising (7, 7)
14 Adventurers taking no notice (9)
15 Public walk to the east capable of being re-shaped (9)
17 Vermin breed in the struggle to get on (3-4)
18 Occidental type of film (7)
20 Covered with flags? (5)
21 Got up and endured (5)

SOLUTION TO PUZZLE No. 3,003



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMA

ART GALLERIES

CLUBS

ıema

Killingly funny

by NIGEL ANDREWS

h Race 2000 (X)
ABC General Release
Friday (A)
Carlton
Sparrow of Pigalle (AA)
als Royal and Continentale
e of Mortal Sin (X)
Warner West End 1

netimes one thinks that the way to wake up British dis-ors is to put a charge of nite behind them. Only a ry without the first idea of o recognise a good film, let to market it, could allow t-iron winner like Paul 's *Death Race 2000* to slip ounced and apologetically ot into general release. the film will have a single n airing at the Thames Festival (more of which g event later). But con-ng the film's phenomenal ice success in America ly, and its critical success European festival circuit ear, it is astonishing that n has been cold-shouldered jor distributors and left to terprising but financially resourceful distribution Focus, to try to give it blicity boost it deserves.

ou can imagine a comic-ersion of *Rollerball*, shorn film's lugubrious moral ions but with its physical ents still intact, you will idea of what *Death Race* The film was produced by king Roger Corman, peciality of late has been the turning out of quick, low-budget film deliberately designed to mimic (and cash in on) expensive Hollywood successes: after *Bonnie and Clyde* came *Bloody Mama*; after *Papillon*, *I Escaped from Devil's Island*. *Death Race 2000* is a self-confessed rip-off of *Rollerball*, but the wonder of Bartel's film is that it is both better and fresher, in every way, than its original.

The sport featured this time is not rollerball but a Trans-continental car race, in which the winner is the driver who reaches the finishing post with the maximum number of points racked up from slaughtered pedestrians. Fair means of murder and foul are both encouraged, and the contestants' cars are equipped with every destructive device from scythes to hand grenades. The winner gets to shake hands with "Mr. President"—world leader whose permanent state residence is in Peking—and although the race starts out with five or six contestants, the field soon narrows to two: Machine Gun Joe Viterbo, a belligerent West Coast Italian, and David Carradine as Frankenstein, survivor of three previous crashes and now a walking miracle of the plastic surgeon's art.

Far from skirting the abysses of melodrama and bad taste inherent in its subject, the film plunges cheerfully right into them. Unlike *Rollerball*, it doesn't blind its audience with prescience, or try to dignify its vulgarity by masquerading as a cautionary vision of the future. It is nonsense pure and simple, and there have been few purer homages among recent movies to the rich world of the American comic strip: its lurid gestures and colours, its exclamation point dialogue, its death-dealing machinery and dashing, crew-cut heroics.

Bartel directs the film as a sort of cross between *Batman* and *Metropolis*. From *Batman* comes the penny-dreadful dialogue and the camp art work (the cars are constructed in the shape of tanks, reptiles etc.). From Fritz Lang's film come the cut-price political moralising (a sub-plot concerns the attempts of a revolutionary party, led by one Thomasina Paine, to sabotage the race and discredit the President) and the throwaway scenic extravagance of details like the backdrop to the race stadium: a futuristic labyrinth of skyscrapers and walkways and flyovers. *Death Race 2000* shows at the Thames Film Festival this Saturday, and you would be foolish to miss it. There may be more edifying films around, but there are very few more enjoyable.

The Thames Film Festival began last Wednesday and lasts until the end of next week. It is a ten-day event organised by the Thames Polytechnic. There are a lot of good films on show —mostly from recent American cinema, including work by Altman, Penn, Scorsese, Rafelson and Michael Ritchie—and as an added bonus several of the directors and stars of the films on show will be making personal appearances. If you want to find out more about the when, where and how of the festival, phone Tony Watts at 854 2030.

*

Man Friday was Britain's single and somewhat abject entry at last year's Cannes Film Festival: it comes as no surprise to those who saw it then that the film has taken nine months to reach a London cinema. Written by Adrian Mitchell and directed by Jack Gold, the film's claim to originality is that it tells the Robinson Crusoe story from the point of view of Man Friday: Crusoe's partner in island solitude being presented not as an ignorant savage but as a resourceful and canny primitive, while Crusoe himself is demoted from the sturdy hero-in-adversity of popular tradition to an eccentric, tetchy and intermittently ludicrous relic of British colonialism.

Political fashion wraps itself like a halo around the film's head: but what depresses one is not the modishness of the film's Empire-bashing ideas but the flimsiness of the dramatic world that Mitchell and Gold have erected around them. Crusoe is played with a frantic vivacity by Peter O'Toole—rolling eyes, comic businesss, Milliganesque asides—but the actor never succeeds in making the character more than a propagandist's man of straw: set up to have his proto-colonial prejudices and pretensions knocked down by a Friday who has about him the irresistible odour of Third World sanctity. (Again no fault of the actor's—a sprightly and likeable performance from Richard Roundtree.)

The film has some fetching moments—Crusoe teaching Friday the rules of football, an over-worked Friday finally turning the tables on Crusoe and getting him to share some of the black man's burden—but neither these nor the lush Guatemalan locations can breathe life into a film that has the brusque, didactic flatness of a political cartoon. If you want to see a subversive film version of Defoe's novel, try and catch Bunuel's 1952 adaptation the next time it comes round. Unlike Mitchell and Gold, Bunuel didn't need to raise his voice—or keep it at such a monotonous level to make his slyly, wittily anti-authoritarian message heard.

*

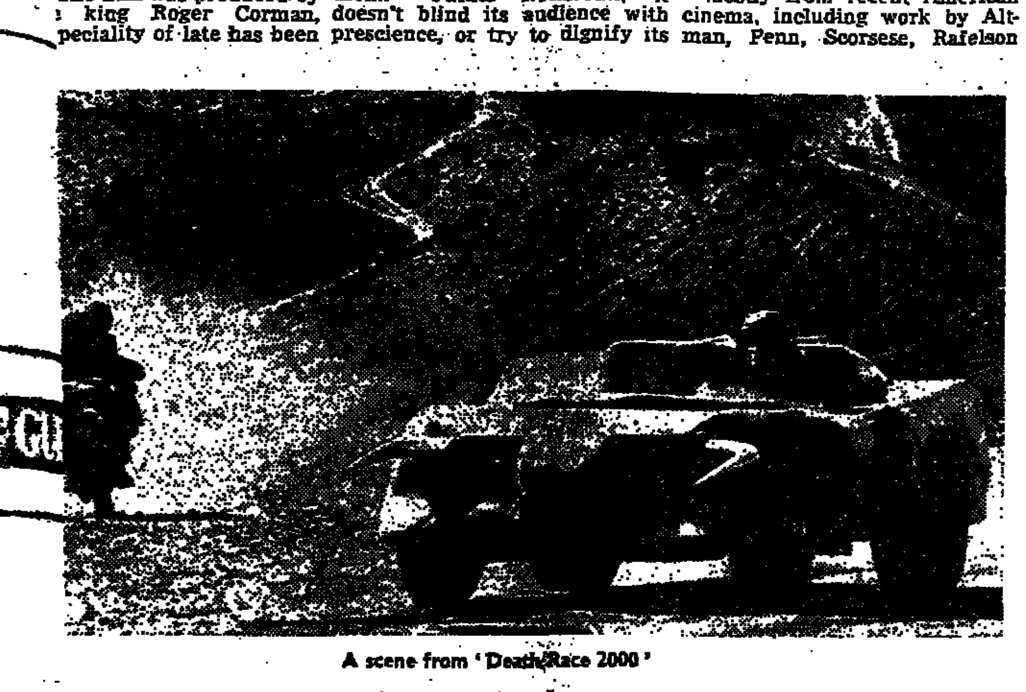
The Sparrow of Pigalle tells the story of Edith Piaf's life up to the age of twenty: "years that were heartbreaking yet exciting," in the words of the blurb, and that provide writer-director Guy Casaril with the opportunity to produce a kind of Gallic version of *Lady Sings The Blue*. Piaf started out as a street singer, aided and accompanied first by her father then by her younger sister Momone (who wrote the biography on which the film is based): then she graduated to a fashionable night club, and finally to an affair with a famous songwriter that led to an engagement at Paris's renowned ABC theatre.

The film has the virtues and the defects of simplicity. Brigitte Ariel's tough, diminutive Piaf is exactly right, and Betty Mars's singing voice, used to dub her numbers, is the nearest one could get to the raucous, sentimental timbre of the original without summoning forth the ghost of Piaf herself. But in dramatic terms the film aims too low. One anecodotal stage in Piaf's rags-to-riches progress follows another, and the final effect is at once too disjointed and too slackly predictable to hold one's interest. Luckily, though, Casaril has only touched on Piaf's early years: there is still plenty of material for an imaginative film-maker to explore.

*

Beware of *House of Mortal Sin*. The screenwriter-director team of David McGillivray and Pete Walker started out promisingly two years ago with *House of Whipcord*: a slice of Gothic nastiness so novel and ingenious that it looked as if British horror might at last be tearing itself away from the apron strings of Bram Stoker and Mary Shelley.

I didn't see their second film, *Frightmare*. But their third, I regret to report, is a load of old rubbish: the story of a corrupt Catholic priest (Anthony Sharp) who has a more than pastoral interest in hearing the sexual confessions of young girls. After the inquiring friends of one such girl (Susan Penhaligon) have been murdered—by such picturesquely ecclesiastical means as a flaming censer and a poisoned Communion wafer—the film comes to a bloodthirsty climax in the Old Dark Rectory. No film could survive quite such a relentless combination of creaking doors, creaking dialogue and gradually disintegrating plausibility.



A scene from 'Death Race 2000'

Anthony Crickmay

Lynn Seymour and Anthony Dowell in The Royal Ballet's 'A Month in the Country,' which opened last night at Covent Garden

Open Space

Anatol

by B. A. YOUNG

Anatol consists of a row of sentimental one-act plays by Arthur Schnitzler, a Viennese playwright not well enough known here. (He is the author of *Reigen*, the play from which the film *La Ronde* was made.) I have called the plays sentimental, and they are certainly that; they all deal with the brittle relationships of Anatol, an elegant man-about-town, and his innumerable mistresses. Derek Godfrey plays Anatol in the image of a man unable to believe that his wishes should not always be gratified, though agonised often enough at the prospect that they may not. Prunella Scales plays six assorted mistresses in six assorted styles ranging from patrician condescension to tear-away passion.

But Vienna has always had other faces to show than sentimentality. Schubert, most approachable of composers, was also an innovating experimentalist; and Vienna gave us Freud and Schoenberg as well as the Strauss family. Schnitzler was a doctor and was deeply interested in Freud's work. His thesis for graduation was on the subject of hypnotic treatment of neurosis; and here is Anatol in the first play seeing if he can persuade his mistress (a pretty midinette, this one) to reveal under hypnosis whether she has ever been unfaithful to him. Only he can't persuade himself to ask the question. She might give him the wrong answer.

The next play deals with the difficulties of buying a Christmas present for one mistress under the eyes of another (Miss Scales a lot higher up the social ladder). Then at a *dîner de rupture* where Anatol is to break off an affaire, he finds that the other party (a very common girl from the ballet) breaks it off herself. There is an encounter with a trick-rider from the circus unable to remember the passionate moments that her lover has regarded as immortal; with a well-dressed lady anxious to get away; last of all, with a terrifying termagant in a blonde wig who insists on going to her lover's wedding.

These are quite trivial stories really, but they are written with an understanding of the human mind and heart, a product of Schnitzler's medical studies, that give them flickers of importance beyond what their content would suggest. Charles Marowitz has staged them on a revolving stage, little intimate scenes with a chair, a sofa, a dining-table, bathed in a soft light downstage, to be whisked away when the climax has been reached and the little gentle coda that so often follows the climax murmured as the set begins to turn. Between the acts there are some dance routines in which Anatol mingles with a selection of his women; these are clearly needed to allow for costume changes but add nothing to the atmosphere.

The translation is a thoroughly professional job by Frank Marcus. The designs are by Robin Don, Miss Scales's costumes and the dancers' by Susan Thompson, and Miss Scales's superb hats by Francis Wilson. If I say that Nicholas Selby plays the spare man, the man who has to be there to keep the dialogue going, this is no disparagement of the charm with which he plays him.

ɔeth Hall

ɜnglish Chamber Orchestra

by DOMINIC GILL

sday's immensely, often , enjoyable English Orchestral evening ran ısical gamut from a erture, to Mozart's first ıno concerto and his 'Romantic" symphony, ɔven's prophetic early 5 variations for solo the *Prometheus* theme. oist, accompanied and ınied, was Alfred His genial, scrupulously ying of Mozart's E flat K271 touched the heart sun: fresh and serene irst movement at once ıd playful; translucent lantino, more radiantly tragic, fine-grained, controlled; a finale of close focus, but clean, alive.

It was a happy inspiration—as well as a return to a perfectly respectable 18th-century tradition —to give the first work of the second half to Brendel alone. His account of Beethoven's *Prometheus* (or sometimes *Eroica*) variations op. 35 set up all manner of reverberation: clear, clean attack, and a complex of pre-echoes, from 1802, of so much later piano work—of op. 78, 90, 109, 110, and like a bolt of lightning in the fugue, of op. 106.

The evening's conductor was Wilfried Boettcher, late of the Hamburg Symphony Orchestra, now principal conductor of Turin Radio. He made a strong impression as careful and courteous accompanist, and as director of a sensitive, well-formed account of Mozart's G minor symphony K550. Whatever Beecham may misguidedly have preferred, to hear Mozart's Fortieth played by just 24 strings, a single flute, and a pair each of horns, oboes and bassoons is purest (as opposed to impurest) joy. One regret only: Boettcher observed, as elementary musical sense insists, the first movement's exposition repeat. A shame that he lacked (like most conductors) the conviction and the courage to take the andante's two long repeats also, and so preserve the proper tragic scale and stature of the movement. As in a *Goldberg* or an op.111 without repeats, something not merely superficial but central to the force of the music, is lost.

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Der Rosenkavalier

by ELIZABETH FORBES

enkavalier, in John ix-month-old produc-evived by the English ɔera on Wednesday at ɘum, with several cast. Ava June now Marschallin, and interpretation will no and deepen further ly accomplished and ɘresting touches. She first-act monologue ing, as she as sworn ıct that she must soon an without self-pity, with her strong feel-ds, and for the shape l phrase, makes this a nt moment despite— of—her restraint and ɘionics.

rd act she is dignified ı she puts heartfelt the line about her against all men, she oncerned to spare ɘelings than to worry ıjury to her own: it ɔus, loving portrait nts, and there is no doubt that she has only to raise her little finger and Octavian will return to her at any time. In the trio Miss June's voice blends beautifully with the two other sopranos: Josephine Barstow is back as Octavian, a role she seems to find very congenial; a slight, tall stripling, who looks not a day over 17, this Octavian has a splendid swagger, an aristocratic disdain for both Faninal and Ochs, and a deliciously girlish air as Mariandel.

Sandra Dugdale, who has played the part on tour, now sings Sophie for the first time in London. Her voice, though not large for a theatre the size of the Coliseum, is so clear and well projected that every note tells, and every word can be understood. She too looks particularly young, at first a child thrilled with her first really grown-up frock, but she soon learns that there is more to adult-life than pretty clothes. Dennis Wicks has become a fluent, genial Ochs, whose good-humour is rarely clouded for more than a moment or two. Though the highest and lowest notes in the role lie uncomfortably for him, his excellent diction ensures that he is always audible.

Eric Shilling repeats his fussy, kind-hearted Faninal — I don't believe he would ever force his daughter to marry against her inclination — and Sarah Walker her high-spirited Annina. Edward Byles adds Valzacchi to the growing list of splendid eccentrics that he has sung for the company. Anthony Roden now sings the Tenor; he needs more vocal flexibility, though his manner is nicely tenorish. The production, rehearsed by Roderick Horn, is in generally good shape, though the levée has lost some of the precision so noticeable when the production was brand new. Bryan Balkwill conducts with sensibility; he pays Strauss's score the respect it deserves, and in the last act draws warm, full tone from the orchestra.

s news in brief . . .

izvestny, the sculptor the bust that sur-ushchev's grave, has permission to leave nion.

was involved in a ıte with Khruschev en the then Prime l of his work that "a l do better with his partly Jewish and romised a visa to ɘ has not yet decided y he will live in.

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star Elton John is concerts at Earls lay 11 and 12, on Sports Aid Founda-Foundation is an body set up in year to raise funds y, commerce and

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xhibition of Constable's work to be mounted at the Tate, opening on February 18, will be without the important picture *The White Horse* which it was hoped would be loaned by the Frick collection in New York. The collection's rules forbid the loan of pictures.

A spokesman for the Tate said "This is a disappointing setback, but not a major tragedy." The exhibition, comprising 354 oils, water-colours and drawings, includes some work that has not been seen in public before, including 20 items loaned by the Constable family and 10 canvases loaned by Mr. and Mrs. Paul Mellon, of Washington.

*

A new production of Strauss's *Ariadne auf Naxos*, to be given by the Royal Opera in December, has been made possible by a substantial donation from Imperial Tobacco. It will be designed by Philip Prowse of the Glasgow Citizens Theatre, conducted by Rudolf Kempe and produced by John Copley. The cast will include Heather Harper, Yvonne Minton, Ruth Welting, Geraint Evans and Thomas Allen. It will open on December 6.

Imperial Tobacco has previously sponsored Covent Garden's production of *Un Ballo in Maschera*.

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Anglia Television has won a Golden Ear award at the Berlin Agricultural Film Festival for its networked documentary *The Great Grain Drain*. The programme, shown in 1974, told how a group of Russians flew to New York and bought all the U.S. grain reserve at bargain prices . . . without the Americans realising what was going on.

Wigmore Hall

Werner Nel

by RONALD CRICHTON

Werner Nel, who made his London debut on Wednesday in a programme of Lieder, is a German-born, South African-reared baritone, who returned to Germany a few years ago to study in Munich. He has an attractive baritone voice of light timbre, with easy high notes; lower down, the tone in soft music is sometimes thinly supported. He opened with Schumann's *Dichterliebe* cycle. The initial impression was good, with the tone flowing freely and warmly. Then one became aware of a certain monotony, and a tendency to choose slower tempos than the singer could keep alive with a rhythm inclined to go droopy. Mr. Nel was at his best in the quicker songs, with no temptation to dwell on "expressive" ritardandos—there was one of these in the last line of "Wenn ich in deine Augen seh" which would not have been out of place in "The Lost Chord."

What Mr. Nel lacks (and there is plenty of time to acquire it) is the expert Lieder singer's capacity to catch up a song from the first bar and present it as a whole: he sang, mostly agreeably but also unmomentously, from phrase to phrase. Quick songs came to life, slow ones went to sleep. Schumann sounded remarkably like Brahms who sounded not much different from Wolf. Brahms's "Von ewiger Liebe" was funereal—a big bass might bring it off at that speed, hardly a lightish baritone.

In the Wolf group (four of the Mörike songs) there was more life, and again some commodious views of moderate tempos. But the words (which had been clear throughout) began to carry more colour and meaning. In "Der Tambour" and "Storchenbotschaft" Mr. Nel showed a pleasing if gentle turn of humour. Irony is not yet in his grasp, nor the gift of mimicry which (though it must of course be used sparingly) should be part of every complete Lieder singer's armoury. There was solid—sometimes rather too solid—support at the piano from Geoffrey Parsons. Late in the evening, Mr. Parsons suddenly raised the whole temperature by his lovely playing of Wolf's "Auf einer Wanderung."

Festival Hall

Daniel Chorzempa

The hall was well filled for Wednesday's early-evening recital by the American organist Daniel Chorzempa. Mr. Chorzempa is a player of a flair and brilliance to reconcile even the normally indomitable organ-hater (such as myself) to an hour with the Festival Hall instrument. After the opening Bach Dorian Toccata and Fugue, BWV 538, given a rhythmically fluent and unusually sharply defined reading, the meat of his programme was Messiaen's "Combat de la mort et de la vie," the fourth of the "Sept Visions brèves de la Vie des Ressuscités" that make up *Les Corps glorieux*. The method of the piece, simple in outline, richly worked in its details, is conflict between the chattering agitation of the opening and the F sharp major resolution, *extrêmement lent, tendre, serein*. It was gripping, vivid and remarkably forceful under Mr. Chorzempa's fingers, because he intensified the tumult of the opening with razor-sharp articulation, and then released it at a daringly slow tempo, in legato phrases hushed and exalted. The treatment of Messiaen's highly coloured vision was highly coloured, and so greatly successful.

The appetite was whetted for more Messiaen, or else some of the Liszt that Mr. Chorzempa has so excitingly recorded. Instead he had planned all five movements of Widor's Fifth Organ Symphony—not just its famous F major Toccata finale that has set so many sensitive ears buzzing and rattling at the end of innumerable organ recitals. To its plushly carpeted phrases and well-padded cliché modulations was here brought the lightest and nimblest touch, of a kind that tickled even the squarer variations of the first movement into some semblance of life. The Toccatta was dazzling: bald heads and stiff collars all around (organ recital audiences are like no other) were nodding furiously in excitement. But on his next visit Mr. Chorzempa should arrange stronger and more sustaining musical nourishment.

MAX LOPPERT

This summer at Chichester

The 1976 Chichester Festival will run from May 18 to September 25. The four plays to be produced are *Twelfth Night*, Andre Obey's *Noah*, Maugham's *The Circle* and *M. Perrichon's Travels* by Eugene Labiche.

Gordon Jackson will take on another butler's role as Malvolio in *Twelfth Night*. Barbara Windsor will play Maria, Bill Fraser Sir Toby and Michelle Dotrice Viola. Bill Fraser will also be in *The Circle*, with Susan Hampshire and Googie Withers and John McCallum. Rex Harrison will play M. Perrichon in the Labiche comedy, a premiere on the English stage though the play was once well known as a favourite textbook for learners of French.

Keith Michell, the Artistic Director, will play only in *M. Perrichon*; but he is to direct and design *Twelfth Night*. *Noah* will be directed by Eric Thompson, *The Circle* by Peter Dews and *M. Perrichon's Travels* by Patrick Garland.

WORLD TRADE NEWS

UAE limits commissions paid to local agents

By Our Own Correspondent

DUBAI, Feb. 12.

THE Abu Dhabi executive council has decided to set a maximum for the percentage to be paid to local agents by foreign contracting companies.

The new ruling, which goes into effect from this month, dictates that for tenders worth Dirhams 10m. or less (£1.2m.), the local agent should get no more than 2 per cent. of the estimated value of the contract. For tenders worth between Dirhams 10m. and Dirhams 20m. (up to £6.2m.) the percentage should not exceed 1.5 per cent. Above that, the commission should not be more than 1 per cent.

Director - General of Abu Dhabi's Chamber of Commerce, Hassan Shalabi commented that the decision had been taken by the council following a number of complaints. "There has previously been no limit to the commission paid to local agents, and we have noticed that the commission has ended up on the value of the contract. The foreign contractor just passes it on. He estimated that prices had been forced up by 3 per cent. as a result of commissions." In future he said, a local agent will have to present a copy of the agreement between himself and the foreign company, and no contract will be signed unless the rate of commission is satisfactory.

A Western source in Abu Dhabi commented that the council's decision was an effort to cut out the abuses suffered particularly by newcomers to the area, and the "fixers" that flock around contracts. However, the source was sceptical about how the council was going to enforce the new ruling. Commission rates varied from anything from 1 to even 10 per cent, he said.

● The Abu Dhabi Government plans to spend Dirhams 1.47bn. (£185m.) on development projects in 1976, the newspaper Al Wahda said in Abu Dhabi this week.

China is now Japan's third largest market

TOKYO, Feb. 12.

JAPAN'S TWO-WAY trade with China totalled a record $3.79bn. in 1975, up 15.3 per cent. from a year earlier, the Association for the Promotion of International Trade announced.

The trade balance showed a surplus of $730m. in favour of Japan, up from 1974's surplus of $680m. Japan's exports to China totalled a record $2.261bn., up 14 per cent. from a year earlier, while imports from China aggregated a record $1.53bn., up 17 per cent. from a year earlier.

China was the third largest foreign market for Japanese exports last year against sixth largest in 1974, and was placed eighth among foreign exporters to Japan.

Exports of steel accounted for about $700m. of Japan's overall export to China, up 12 per cent. from a year earlier. Steel exports were 2.81m. metric tons in volume, down slightly from 2.86m. tons in 1974.

Meanwhile, imports of crude oil accounted for about $730m. of the import total, up 82.9 per cent. from a year earlier. The imports were listed as 9.14m. kilolitres, up from 4.53m. kilolitres in 1974.

AP-DJ

Official steel protest in US

TOKYO, Feb. 12.

THE JAPANESE Government has told the U.S. Government that the stainless steel import controls sought by the U.S. International Trade Commission (ITC) are unreasonable, the Ministry of International Trade and Industry (MITI) announced to-day.

A ministry spokesman said the current problems of U.S. stainless steel makers stem from recession rather than an increase in imports.

Japan is a leading supplier of stainless steel to the U.S., with exports of 250,000 tons of the product in 1974.

AP-DJ

ECGD guarantees £152m. loan for Polish PVC plant

BY MARGARET HUGHES

THE EXPORT Credits Guarantee Department (ECGD) has guaranteed a loan of up to £152m. which Lloyds Bank is making available to Bank Handlowy of Poland.

This is the largest ever project loan ever to be guaranteed by the ECGD and, taken together with previously backed export credits, makes Poland its largest debtor country. The loan, will cover the major part of the finance needed for a new 200,000 tons a year PVC complex which Polimax-Cekop is setting up at Wloclawek to the north of Warsaw. The total cost of the project is now put at around £203m.—somewhat higher than the original cost estimates which *were in the region of £130m.*

Britain's Petrocarbon Developments of the Burmah Engineering group is the main contractor, while Davy Powergas is the major British subcontractor. The U.K. content of the contract value is £170m. and the ECGD-backed loan, which includes some estimated cost escalation, will meet 85 per cent. of the cost of goods and services to be exported from the U.K. as well as a very small percentage of local costs.

As is usual for export credits granted to East Bloc countries, the terms are very favourable. The duration of the loan is 8½ years with the first repayment due on completion of the project —scheduled for 1979. The rate of interest is likely to be fairly close to the ECGD's minimum for long term credit—7½ per cent.

A particular feature of the loan is that it is in the form of a project line of credit which allows each subcontractor, however small, to conclude separate contracts, each having access to the umbrella finance which has been guaranteed by the ECGD. This means that they would also, as individual entities, be eligible for cost escalation cover and other facilities available for large contracts, but which are not normally open to them when their orders—on their own—amount to less than £2m. and perhaps as little as few thousand pounds.

The rest of the necessary foreign currency financing is being largely met by a $100m. Euroloan syndicated by Lloyds Bank International as lead manager, which will cover some infrastructure costs as well. Other export credits have also been arranged. The U.S. Exim Bank, through United California Bank as agent, has guaranteed a loan of $28.2m. This is composed of a cash downpayment of $2.8m., then $15.5m. is being supplied by Exim Bank, itself and the remaining $9.9m. through a syndicated domestic dollar loan led by United California Bank. The loans will meet the U.S. export costs of the projects—Catalytic International of the Air Products group is the main U.S. subcontractor. The Japanese Exim Bank is believed to be allocating supplier credit of around $12m.—the polymer plant will use the Shin Etsu process—while Swiss Bank Corporation is understood to be supplying around $7m., for the Swiss export content.

The project is intended to be self-paying so that it should represent no drain on Poland's foreign currency reserves. Poland currently produces some 130,000 tons of pvc and it is estimated that when the new plant comes on stream there will be some 140,000 tons available for export to provide a source of foreign currency earnings. Hopefully by then the world pvc market will have recovered from its current depressed levels.

The contract is the first fully turn-key project to be undertaken by a British company in Eastern Europe and as such represents a major achievement for Petrocarbon Developments. This deal follows closely the £155m. contract (since increased by £33m.) awarded to a consortium led by Massey Ferguson to rebuild the Ursus tractor plant, which the ECGD also supported.

Over the past five years British exports to Poland have trebled from £60m. in 1970 to £182m. last year—imports have risen from £63m. to £114m. But over the same period Britain has slipped from being Poland's leading Western supplier to fourth place behind West Germany, France and the U.S.—more large contracts like those for the pvc and tractor plants could well reverse the situation.

One such contract, which is expected to be announced fairly soon, is for a large fertiliser complex, the total cost of which is reported to be £220m., but may well be higher. This is the project for which Mitsui announced last month it is seeking some £100m. ECGD financing for—if awarded the contract it would be undertaken by Mitsui as an Anglo-Japanese venture with Lummus of the U.K. acting as the main British sub-contractor. However Britain's Humphreys and Glasgow, acting independently, is also a leading contender for the project—the third main competitor is understood to be a French group.

Australia nears car decision, Nissan buys VW assembly plant

BY KENNETH RANDALL

CANBERRA, Feb. 12.

THE AUSTRALIAN Minister for Industry and Commerce, Senator Robert Cotton, said to-day that he hoped to announce a new policy for local car production by the end of next month.

The new Government has been conducting an intensive review of vehicle industry policy since it took office in December. Main issues to be decided are whether to continue with the Labor Government proposal for a general local content requirement of 85 per cent. across a manufacturer's entire product range: the future of imports, currently held down by quotas to about 20 per cent. of the market: and entry of new manufacturers —notably the Nissan-Toyota-Chrysler engine-building proposal which has been under negotiation for almost a year.

To-day's statement confirms the timetable suggested by the temporary extension of current import duties and quotas to March 31, already announced.

It coincides with the announcement that Nissan, of Japan, has bought the Volkswagen subsidiary, Motor Producers, a Melbourne-based assembler of Nissan-Datsun vehicles. The company will continue to assemble Volkswagen passenger and commercial vehicles and Volkswagen, according to the Minister, "intends to maintain a significant presence in the Australian market."

Volkswagen was the first company to drop out of earlier Australia local-content plans, followed last year by Leyland. Both are new specialist importers and assemblers.

Reuter adds from Tokyo: Nissan Motor hopes to increase its car sales in Australia this year to more than 60,000 following its purchase of Motor Producers in Australia from Volkswagenwerk AG, senior managing director Masataka Okuma said. This would compare with sales of 54,500 cars, or 11.6 per cent. of the Australian market in 1975, and 46,300 in 1974, he added.

Mr. Okuma said Nissan hopes to achieve 62.5 per cent. local content for all its cars manufactured in Australia by this summer and 70 per cent. local content by the year-end.

The final objective of 85 per cent. local content, which will require local production or purchase of engines, will be achieved by 1980, Mr. Okuma said. He said the purchase is important in that it gives Nissan a manufacturing base in Australia, but he declined to disclose the purchase price.

The purchase still requires the approval of the Australian Government's Trade Practice Commission and the Reserve Bank of Australia, he noted.

Mr. Okuma said discussions are continuing on an engine consortium involving Nissan, Chrysler Australia, Toyota Motor and the Australian Government agency, the Australian Industries Development Corp. Until the discussions reach a decision one way or the other, he said he would not like to go into alternative plans.

Guy Hawtin writes from Frankfurt: A Volkswagen spokesman to-day declined to say how much Nissan had paid for its share of the Australian Clayton works, in which Daimler-Benz and Volvo also have an interest. However, he said that negotiations had been going on since 1972.

Assembly of VW and Audi models would continue, despite the Japanese takeover. While he would not forecast Volkswagen's sales prospects for the current year, he said that in 1975 the concern had assembled 15,300 VW and 1,700 Audi *models at Clayton.*

Sales of Volkswagen products will in future be handled by the independent Australian concern LNC Industries. It is understood that Volkswagen feels that the considerable changes in the various Australian Governments' policy towards foreign motor manufacturers have considerably affected sales performance in the market.

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Toyota Motor said it exported 72,234 motor vehicles in January, while Nissan Motor exported 79,437.

Toyota said its January exports, including 54,773 cars, rose 44.1 per cent. over the year-ago level but dropped 20.6 per cent. from December. Nissan said its January exports, including 56,118 cars, rose 22 per cent. over a year ago, but declined 22 per cent. from December.

Lome scheme criticised

FINANCIAL TIMES REPORTER

THE EUROPEAN Community's STABEX facility, under the Lome Convention, for compensating developing countries for shortfalls in their export earnings as a result of fluctuations in commodity prices, is heavily criticised in a paper for the Trade Policy Research Centre published in London to-day.

Mr. David Wall, of the University of Sussex, a specialist in the field of economic relations between developed and developing countries, concludes after examining all aspects of the facility that STABEX "is a technically cumbersome, bureaucracy-ridden and politically-sensitive scheme for making transfers—the concessionary element of which is variable—to a selected group of countries without regard to any sensible criteria relating to overall need for aid."

"The first thing to notice about STABEX, described in the Convention as being intended for the stabilisation of export earnings of Africa, Caribbean and Pacific (ACP) States, is that it does not guarantee the stabilisation of such export earnings. Its coverage is limited." Mr. Wall points out, "to earnings from exports to the European Community of selected products on which ACP states are dependent.

David Wall, The European Community's Lome Convention: "STABEX and the Third World's Aspirations," Guest Paper No. 4 (London: Trade Policy Research Centre, 1976), pp., £1.00 plus 15p postage.

Record aerospace sales

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FINAL RETURNS for 1975 confirm that aerospace exports in that year reached the new peak of just over £801m., a rise of £170m. or 26.9 per cent. on the 1974 level and representing exports worth more than £3m. for each working day.

Analysis of the figures, prepared by the SBAC, shows that exports of aircraft and parts amounted to nearly £360m., exports of engines and parts to just over £384m., while guided weapons accounted for nearly £13m., instruments over £14.3m., and simulators and other ground training equipment nearly £16.4m.

The best overseas customer for aircraft and parts was France, with £51.3m., but this reflected the flow of Concorde parts to the assembly line at Toulouse which was counterbalanced by the import of Concorde parts from French manufacturers for the assembly line at Filton, near Bristol.

The leading customer for aero-engines was the U.S., buying nearly £147m. worth, mostly Rolls-Royce RB-211 engines for the Lockheed TriStar programme. Total aero-engine exports by Rolls-Royce last year amounted to nearly £300m., or about 40 per cent. of total U.K. aerospace export business.

AMERICAN NEWS

Kissinger outburst on leaks

Secretary of State Henry Kissinger angrily declared to-day that leaked reports of U.S. intelligence activities abroad were subjecting him and the rest of President Ford's administration "to a new version of McCarthyism," Reuter reports from Washington.

Dr. Kissinger said that the leaked documents had been used in such a distorted manner that even when individual documents might be correct, the total impact is "a malicious lie." He added that he would consider resigning if he felt that the continuing charges had diminished his capacity to conduct American foreign policy. But he said that a major point to be considered was whether "any public official can be destroyed by most irresponsible and flagrant charges."

SEC probes General Tire

SEC PROBES GENERAL STRIKE The SEC is looking into charges that General Tire and Rubber Company made improper political payments in Chile, Morocco and Rumania, AP-DJ reports from Washington. Among other steps, the SEC has asked the company to supply information about the allegations, which were filed in December with the Federal Communications Commission. The SEC has also scheduled testimony on February 17 from Mr. Howard Swires, former managing director of General Tire's Chilean subsidiary. Mr. Swires is the author of a 1964 letter that links political payments in Chile with the company's desire for price increases there.

Rail setback

U.S. Government efforts to create a competitive freight train system in the North-east and Mid-west have suffered a major setback with the failure of two profitable *railroads to reach necessary* labour agreements, AP-DJ reports. The bargaining setback spiked plans by the Chessie System and the Southern Railway to buy more than 3,000 miles of track now owned by the seven financially ailing railroads which the Government plans to consolidate into one rail system called ConRail.

Canada steel

In remarks prepared for delivery to the Canadian Steel Service Center Institute, Mr. Peter Gordon, President of Steel Company of Canada, has predicted that steel consumption in Canada is expected to rise 12.5 per cent. this year to an estimated 12.3m. tons, AP-DJ reports from Toronto. Mr. Gordon based his prediction on strengthening demand for consumer durable goods, automobiles in particular, as well as a stabilisation of steel inventories and strengthening in export markets.

Paper strike

Five local branches of the Canadian Paperworkers Union at three Price Company newsprint mills in Newfoundland and Quebec have voted in favour of a three-year labour contract, AP-DJ reports from Montreal. The three mills together produce about 800,000 tons of newsprint annually. Workers at the two Quebec mills involved have been on strike since mid-September.

UN post

Former Pennsylvania Governor William Scranton may be named Daniel P. Moynihan's successor as U.S. Ambassador to the United Nations, according to White House aides, UPI reports. However, President Ford was quoted as naming Mrs. Shirley Temple Black as a possible candidate for the post.

New York City's spend grows despite austerity

BY GUY DE JONQUIERES

NEW YORK

DESPITE ITS recent round of expenditure cuts and tax increases, New York City is falling further and further behind in its efforts to re-establish financial equilibrium. The city is now expected to run a budget deficit of at least $1bn. during the fiscal year which ends in June—some $300m. more than was anticipated when its three-year austerity programme was drawn up last October. Governor Hugh Carey of New York State has estimated that the deficit could run as high as $1.2bn.

These sharply increased estimates have cast new doubt on the City's ability to repay its Federal loans in full, as it is required to do by law at the end of each fiscal year. So far, it has borrowed just over $500m. under the Federal programme, which lasts until mid-1978, and is entitled to draw up to a limit of $2.3bn.

Yesterday Dr. Arthur Burns, the chairman of the Federal Reserve Board, admitted that he was worried about whether the City could meet the repayment deadline. "I wish it were going better," he said at a lunch at the New York Times. "It appears that they are not within their guidelines, and people who follow it closely are seriously concerned."

Dr. Burns's gloomy assessment contrasts with the recent public utterances of Mr. William Simon, the Treasury Secretary, who administers the loan programme. He said only last week that he was satisfied that the City was making progress in sorting out its financial affairs and that there was a "reasonable prospect" that the loans would be repaid in time.

The deterioration in the City's budget stems partly from a larger than expected growth in certain uncontrollable expenditures, such as welfare payments, which have been increased by the recession. In addition, a new audit prepared by the State Social Services Commission has accused the City of gross wasteage and inefficiency in the administration of the welfare programme: it contends that in a single month it overclaimed $89.5m. in payments from the state and Federal Governments.

The City Government has also been sharply criticised for failing to implement its planned austerity measures rapidly enough. A report commissioned by the Treasury recently from the Arthur Anderson accounting firm pointed to n[...] stances of foot-drag[...] officials and suggest[...] York's financial co[...] was far too antiquat[...] proper control ove[...] programmes.

The absence of [...] improvement in [...] financial affairs is [...] of continuing [...] Governor Carey, wh[...] with severe fiscal pr[...] state level. He ha[...] progress towards [...] large deficit in the [...] but its financial out[...] distinctly precariou[...]

The State has b[...] from the public c[...] since last autumn, [...] creasing involvem[...] City's problems pr[...] about its own cre[...] on Wall Street. [...] April it must raise [...] for seasonal financ[...] and there are seri[...] to whether it will [...] so.

The State's reje[...] hands of the debt n[...] plunge it into a [...] leaving Governor C[...] alternative but to [...] ington with an [...] Federal assistance.

'No reduction in U.S. aid to C[...]

BY HUGH O'SHAUGHNESSY

DESPITE attempts in the U.S. Congress to limit them, large quantities of U.S. military equipment and civilian aid are reaching Chile and the Chilean Junta is well pleased with its relationship with the U.S. Government, according to diplomatic sources in Santiago.

The *big internal debate in* Washington about U.S. relations with the junta of General Augusto Pinochet notwithstanding day-to-day business continues much as normal, according to Chilean sources. They point to the fact that the number of military advisers stationed in Santiago has been growing slowly and is now around 30.

Attempts to cut to a minimum supplies of arms to the Junta are being by-passed, as are limitations imposed by the U.S. Congress on civilian assistance.

Diplomatic sources in the Chilean capital point out that receipts of U.S. war material are keeping well up to the level of $75m. reached in 1974 and both sides are taking advantage of the U.S. regulations which allow the continuance of "existing contracts" even when limits are being placed on new arms contracts.

At the same time, the ceiling on civilian assistance is in practice much higher than the upper limit of $90m. which the U.S. Congress is seeking to put on it. One item alone, food aid, is running at about $95m. a year, according to the sources.

Junta sources, too, express optimism about the financial future of the country following the decision of the World Bank last week to give the Junta a $33m. credit. Gen. Pinochet has welcomed the credit as a sign of the Bank's support of his administration.

Backing reports in London that Chile is seeking a [...] on Wall Street, [...] matic surces fores[...] culty in getting cr[...] $150m. from the [...] would aid the bid [...] lar sum from priv[...] cial institutions.

Despite the di[...] General Pinochet [...] his balance of pa[...] putting a heavy pr[...] purchases.

More than $10[...] arms are curren[...] livered to Chile [...] Northrop F-5 fighte[...] represents about [...] income Chile expe[...] from the sales o[...] country's major ex[...] year.

Inflation last [...] officially registere[...] cent., a rise of 3.[...] the 7.1 per cent. [...] December.

CIA announces ban on use of American journalists

WASHINGTON, Feb. 12.

Mr. GEORGE BUSH, the new Director of the Central Intelligence Agency, to-day ordered an end to the use of newsmen as paid informants if they work for American news organisations.

Mr. Bush, in an unusual statement issued from the agency's headquarters in Langley, Virginia, also said that the "CIA has no secret paid or contractual relationship with any American clergyman or missionary."

While ordering the ban on using newsmen working for American organisations, Mr. Bush apparently left the door open to the employment of journalists working for foreign organisations. A CIA spokesman, asked if the ban would apply to a foreign agency, said: "Read the statement. You'll have to decide what you are."

The statement said: "Effective immediately, the CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondents accredited by any U.S. news service, newspaper, periodical, radio or TV network or station."

Mr. William Colby, who was recently dismissed by President Ford as CIA director, had said that the Agency no longer used full-time journalists

In his statement, Mr. Bush said that the CIA would still welcome information "volunteered" by journalists or clergymen and promised that their names would never be published.

CIA relationships with reporters and the clergy have come under widespread attack and a ban on using journalists was urged by the House of Representatives Committee investigating the U.S. intelligence community.

Reuter

Venezue[...] pays firs[...] compens[...]

CARAC[...]

INTERNATIONA[...] panies, whose V[...] sidiaries were n[...] *January* 1, [...] receiving part [...] pensation mon[...] spokesman for [...] Ministry.

To-day's paym[...] approximately $[...] first instalment [...] more than [...] Venezuelan Gove[...] to pay the compa[...] nationalised hol[...] first payment wil[...] cash and the rem[...] compensation in [...] bonds, which w[...] mature in 1977.

The Finance Mi[...] man said that 20 [...] the bonds will [...] January 15 next [...] rest will be ca[...] quarterly basis [...] year period.

AP-DJ

FOREIGN INVESTMENT IN THE BAHAMAS

A case of discrimination

BY NICKI KELLY, BAHAMAS CORRESPONDENT

PRIME MINISTER Lynden Pindling's Progressive Liberal Party Government consistently expresses its awareness of the need to protect the Bahamas' status as an offshore financial centre. However a parcel of discriminatory taxes on non-Bahamians and non-Bahamian-owned companies, which were introduced in this year's budget, has revived suspicions in the financial sector as to the Government's real motives.

The new measures are designed to raise an additional $10m. revenue by requiring non-Bahamian companies to pay higher stamp, property, immigration and company registration fees. Non-Bahamians or companies with less than 60 per cent. Bahamian ownership are to be charged double the stamp tax payable by Bahamians on property transactions. They will also have to pay tax on undeveloped land holdings where none is now paid by nationals, and a tax on developed land in the outer islands although this is not yet required of Bahamians.

The principal concern to the financial community however is that annual registration fees for non-Bahamian companies have been increased from $Bahamian 250 (about £123) to $1,000 while annual immigration permits for key bank, trust and accounting personnel have risen from a maximum of $500 to between $3,000 and $5,000 for each application. The net effect, they feel, is that a large number of offshore companies will in all probability disappear to the nearby Cayman Islands which maintain a lower company fee. In any case, the discriminatory nature of the taxes and their unexpectedness is likely to make investors wary and seriously affect new business that may have been destined for the Bahamas.

"The proposals were not carefully thought out, nor do I think the Government realises all the implications of its action," one trust company executive said. Because of the timing, the full effect on trust company business is not likely to be felt before the end of 1976. Company registration fees are payable by January 1 with only 30 days' grace. Although the Government may have collected from a number of companies this time, the picture is likely to be very different at the end of the year, the trusts predict.

> "If (our progress) is hitched to the high-flying kite of the foreign investor, we are doomed."
> Prime Minister Lynden Pindling.

Of the 15,000 companies registered in the Bahamas, 90 per cent. are non-Bahamian. How many will pack up and leave will depend on the size of each and its reasons for being domiciled in the Bahamas. For the small and marginal companies—the bread and butter of trust company business—the higher company fees may be just enough to tip the scales.

As the second largest industry, the financial sector employs some 2,500 people and directly and indirectly supports a further 10,000. Any contraction in the activities of the banks and trusts therefore, is certain to be felt at all levels of the economy. The trusts also point out that higher immigration fees will not only increase operating costs, but could result in staff cutbacks for Bahamians as well as expatriates if the volume of business is reduced.

The Bahamas have only recently begun to recover from the loss of confidence that followed a tightening of immigration policy in 1970. In view of the pressing need for investment, the new attitude seems difficult to explain. It is however part of a calculated programme for achieving economic self-sufficiency within the next ten years.

Addressing his party's convention last October on "progress through self-reliance," the Prime Minister emphasised that with the developed nations experiencing their own economic problems, developing countries like the Bahamas can no longer look to these traditional sources for assistance. "If our progress is founded on the principle of self-reliance we can succeed. If however it is hitched to the high-flying kite of the foreign investor, we are doomed," he said.

Mr. Pindling has identified some of the objectives of economic independence as the achievement and maintenance of full employment, the encouragement of development in the outer islands, self sufficiency in basic consumption, and economic diversification to reduce the country's heavy reliance on the "highly vulnerable" tourist and financial sectors. The need for economic self-sufficiency was re-emphasised by the Minister of Finance, Mr. Arthur Hanna, in his Budget address to Parliament in December. He said that while direct taxa[...] only fair means [...] revenue needed [...] government policy [...] ruled out because [...] ma's status as a [...] Government the [...] turned to methods [...] burden would b[...] those more able [...]

Despite heavy c[...] the business secto[...] is convinced that [...] are not unreason[...] not frighten aw[...] investors. "It m[...] that a number of s[...] may wish to leave [...] and go elsewhere. [...] likely that com[...] meaningful busin[...] Bahamas will go," [...] has said. The st[...] tion fees, he felt, w[...] further the emp[...] training of Baham[...]

Early public re[...] encouraging. Ther[...] noticeable increase [...] ber of company liq[...] Bahamian attorne[...] lose as much as 3[...] their business. The [...] estate market has [...] of the double stam[...] report that a nu[...] Bahamians on the [...] ing property inve[...] dissuaded by the t[...] ing an additional [...] tax on every $100,0[...] chase price.

The most tellin[...] has come from a pr[...] ber of the Cayman [...] cial community wh[...] in the Cayman Co[...] ing that Mr. P[...] measures were "th[...] mas present any [...] have given the Cay[...]

The Financial Times, pub[...] Sunday and holidays [...] $36.00 (air freight) $[...] annum. Second class po[...] York, N.Y.

هكذا صدر الأصل

الكفاح العربي

HE WAR IN ANGOLA

S. Africa will ban refugees from entering Namibia

Y JOHN STEWART CAPE TOWN, Feb. 12.

: SOUTH African Minister of Interior, Dr. Connie Mulder, confirmed that refugees in camps controlled by South :an armed forces in Southern ›la will not be permitted to : the Namibian frontier.

an interview with a ›nalist newspaper he said ;overnment had done all in ›wer to care for the refugees, ıg spent more than $5m. so ınd said he was disappointed no assistance was forthcom-

›m the United Nations High ;issioner for Refugees.

'iew of the South African ıment's decision to keep ımibian frontier closed to es, a highly ambiguous on has developed which, ing to western diplomats, have grave consequences if ; were to result from 's reported push to the

ırding to Foreign Minister ilgard Muller there are 14,000 refugees in camps ai, Chitado, Cuangar and ı D'Eca. Tens of thousands ıre reported to be on their ›uth following the fall of ·o and other Unita-held

South African Prime Minister, Mr. John Vorster, and his Defence Minister, Mr. Piet Botha, have both declared their Government's unwillingness to accommodate refugees for fear, among other things, that enemy agents and SWAPO guerillas take advantage of the confusion to infiltrate Namibia.

Diplomatic observers point out, however, that unless the refugees are evacuated, a possible clash between South African troops and MPLA forces would result in untold confusion and unnecessary carnage, since there is no indication that the South African-held positions and the location of the camps are clearly separate.

As matters stand, it is difficult to see how the South African forces are going to contend with what opposition leader Sir De Villiers Graaff calls a "flood of humanity driven by terror," while at the same time possibly having to cope with the defence of the positions South Africa has stated it will defend with determination.

Observers say that South Africa would clearly have welcomed an international presence, such as the United Nations High Commissioner for Refugees, in the south because this would have had the effect of averting possible conflict. The decision of the High Commissioner not to send a mission to the area leaves South Africa with a number of awkward decisions.

It is suggested that the South African request would have been viewed in a different light were it not for the fact that by its presence in Angola, regardless of motive, South Africa was contributing to the cause of possible conflict and posing a threat to the safety of the people it is caring for.

WINDHOEK, Feb. 12.

FIGHTERS of the Soviet-:ed MPLA in Angola inter-ed a civilian airliner flying Vindhoek and forced it to at Luanda, a South West :an Airways spokesman here to-day.

: said the 44-seat turbo- Fairchild airliner was a d new aircraft. It was ; flown by two Americans carrying no passengers ı intercepted off the ›lan coast yesterday after-er.

Stewart Dalby reports from Johannesburg on South Africa's military strength

Pretoria suffers a psychological shock

THERE is no doubt that the advance of the MPLA and its Cuban spearhead towards the South African force sitting 50 km. inside Angola from the Namigian border has sent a severe psychological jolt through many South Africans.

There is here a sombre realisation that with the exception of Rhodesia, there are now no friendly Black African States or European colonies to act as real buffers to South Africa. The South African army could actually be tested against a hostile foe conventionally armed and well prepared.

It could no longer be just a case of South African security forces dealing crisply with assorted and generally ineffective guerilla movements both within the country and on its borders.

The problem is that this realisation is not completely paralleled by a total confidence in South Africa's ability to see off the Cubans. This is in part due to the fact that very little is known about South Africa's armed forces. The Defence Act has ensured a tight grip on news about the army. It has been assumed that Sotuh Africa has a much vaunted army but this is because South Africa has become so much richer and economically successful than its Black African neighbours and can therefore afford a large army. There are mixed views on how the South Africans performed in Angola recently.

Even if this is true, from what is known of the South African forces the Cubans appear to pose no immediate threat to South Africa. The situation looks as follows: South Africa has a regular army of about 10,000 men plus some paramilitary commando units (amounting to about 50,000 men). Additionally it has a regular airforce of over 5,000 men. In addition to this, there are over 30,000 army conscripts plus 3,500 airforce conscripts. Every healthy white male South African over 17 is obliged to do a year's military service. There are also Black troops, though it is not certain how many.

We are therefore talking about an active list of regulars and conscripts of at least 50,000 men, probably more. Once a conscript has done his year's national service he is obiged to do three-weeks' "camp" each year for ten years. This group of soldiers is known as the Active Citizen Force and these together with other categories of reserves probably number altogether 150,000 men.

Recently those on active reserve have been asked to do three months a year instead of three weeks. It is therefore probably not an exaggeration to say that in a reasonably short period of time South Africa could assemble an army of 100,000 Whites, formed into infantry divisions, armoured brigades, artillery regiments, engineer squadrons and other logistical back-up units. They would be reasonably well armed, with weapons including Centurion tanks (including some more recent models with 105mm guns bought from Jordan), Comet medium tanks, French designed Panhard armoured cars, Ferret scout cars, Saracen armoured cars, 155mm howitzers, 3.7mm anti-aircraft guns, and 90 ATK guns. The South African air force has at least 108 combat aircraft, including Mirages, Buccaneer bombers, Canberras and Shackletons.

Unita President Jonas Savimbi (left) examining in Luso two captured Russian 75mm recoilless cannons. Luso is the last major town not captured along the line of the current MPLA offensive.

South Africa has been denied official arms sales by a number of important countries (notaly the U.S.) for so long that it is possible that any list such as the above has been partly nullified by clandestine sales. It is true that much of the weaponry the South Africans are known to have has been outdated by the latest Russian and American hardware. The critical question for the purposes of an analysis of a potential Cuban/MPLA and South African clash is whether the Cubans are well enough equipped. [This is discussed in the following article.]

The South Africans may look superior now, but their capacity for escalation is finite and they cannot match the Soviets if they decide to go all out. One of the key considerations of South Africa's standing in the world is that it does not, like Israel, enjoy the American defence umbrella, because of its Apartheid policy it is more on its own than many people realise.

OAU man defends legality of recognition

ADDIS ABABA, Feb. 12.

THE ORGANISATION of African Unity (OAU) considers the question of the rival Governments in Angola a dead issue, assistant OAU secretary general, Mr. Peter Onu, said to-day. As far as the OAU was concerned, the Democratic Republic of Angola formed by the rival FNLA-UNITA coalition was finished.

The People's Republic of the Soviet-backed MPLA was declared the only legitimate Angolan Government yesterday entirely in accordance with the OAU charter, Mr. Onu declared.

Commenting on Zaire's accusations that the OAU had acted illegally in recognising the People's Republic, Mr. Onu said "article 28 of the OAU charter clearly states that admission shall be decided by simple majority of member States."

The OAU now regarded the issue as resolved and its main concern was to stop the fighting and bring about a reconciliation. Already he had been informed that some officials in the FNLA and UNITA had gone across to the MPLA.

Reuter

'Serious Cuban offensive on defence line extremely unlikely'

BY A SPECIAL CORRESPONDENT

ONLY the Cuban troops fighting for MPLA have the equipment, the training and the discipline to be sent against large units of regular South African troops. For this purpose, MPLA's own African troops can be virtually left out of the reckoning. According to the latest estimates, there are about 15,000 Cuban soldiers in Angola—one-sixth of the entire Cuban regular army—but that would not be enough to break a determined South African opposition

At least 2,000-3,000 of the Cubans are bound to be in Luanda and scattered around the countryside, handling logistics, assisting in the training of Angolan troops, and helping to set up the Angolan airforce. There are probably no more than 7,000 Cubans with the spearheads moving south from the Benguela railway. Moreover, they are not currently organised and equipped for regular warfare against a first-class opponent.

Most of the Cuban troops appear to be organised in fairly small formations—probably no more than 1,500 with any single MPLA column—and equipped basically as mechanised infantry. Most of their vehicles are meant for rapid manoeuvre against lightly armed opponents: latest reports give them 68 PT-76 light amphibious tanks, about 175 armoured personnel carriers, and 28 armoured cars. They have no brigade and divisional artillery with them, depending instead on recoilless rifles, 60 and 82mm mortars and for heavier work multiple rocket launchers ("Stalin Organs").

For all these reasons, it is extremely unlikely that Cuban forces would be committed to a serious offensive at once, if South African troops are still standing on their defence line when MPLA's forces arrive there. At the very least, they would need to be reorganised into larger formations, and in all probability would also have to wait until they had been provided with heavier weapons and guaranteed some useful air cover.

Cuba has plenty of this sort of equipment at home (over 600 tanks, a great deal of artillery, and 205 combat aircraft) and it could in any case be supplied directly by the Soviet Union. Moreover, the Cuban regulars fighting in Angola have undoubtedly been trained to use these weapons in conventional war, even if they are somewhat differently equipped at the moment. Given the large Soviet airlift capability and the widest military efficiency of the Cubans, they might be able to reform themselves into a regular military force capable of making a serious dent in the South Africans in as little as a month.

Such a Cuban force would be a frightening enemy for the South Africans. It is not likely that they could actually rout the South Africans, but they could make a border war a far more costly affair than Pretoria has ever envisaged.

THER OVERSEAS NEWS

›sters in ›king tack ua, Teng

Special Correspondent

PEKING, Feb. 12.

LPOSTERS are said to appeared at Peking Uni-y criticising the choice ıa Kuo-feng as China's Acting Prime Minister. appointment became last week-end.

ign students have also :d the recent appearance sters attacking Teng ing, who was widely d to succeed Chou En- Premier. At Liaoning :ity in northern China claim the opening of a campus poster cam- lirected against Teng's : of foreign affairs while Premier during the :tages of Chou En-lai's ness.

: is considerable specu- among diplomats in about the meaning of :prise appointment of ıe major question mark the role of Teng, and tery has deepened with ıccessive and usually :ctory straw in the

t has been carefully ıat Teng has made no ;ppearances since that mid-January. The man appeared publicly in ould normally have ng's place as Deputy has been Chang Chun- ır a long time seen as greatest rival on the ving of the Party.

lace revolution, if such f less intrinsic import- ın the impact it will China's future policies. been the conventional ıere that Chou's death ıt affect China's inter- external policies. It ll be however that ; making his bid for ıd a Left swing away recent moderation of politics is imminent.

ıng Herald

ıra talks ripoli

BEIRUT, Feb. 12.

AN President Houari ınne arrived in to-day to discuss ırsening crisis in Sahara with the leader Muammar the Iraq news agency ported.

unannounced visit : day after Algeria's ıd the situation in ory was daily grow- explosive, after what ribed as an invasion co and Mauritania.

ıg from the Libyan NA quoted informed ıs saying the two would discuss the ver the desert terri- ıse former Spanish e agreed to hand it Morocco and Mauri-

Khedaffi said in an published in Paris that he would not a war between ıd Algeria over the Sahara. Algeria is ıe Polisario Front, ran independence

Reuter

Lebanon's army out in force as private banks reopen

BY IHSAN HIJAZI BEIRUT, Feb. 12.

LEBANON to-day began a careful return to business life with the re-opening of private banks here after an uninterrupted closure of more than two months.

Strict security measures were in force in the commercial centre where most of the banks have their head offices. Tanks and steelhelmeted soldiers of the Lebanese Army were stationed in the banking street, while the Higher Military Committee personally supervised the implementation of the measures. The committee, formed of Lebanese, Syrian and Palestinian officers, is in charge of enforcing the Damascus-negotiated truce which brought the ten month-old factional clashes to an end.

As crowds of clients called on the banks to replenish their cash, tellers displayed piles of currency to inspire confidence.

No restrictions of any kind on withdrawals or on foreign exchange dealings were applied, a point which has been particularly emphasised by the Bank of Lebanese freedom of economic central bank. Maintaining the Lebanse freedom of economic transactions and bank secrecy forms one of the main foundations of the Lebanese economy.

Bankers have spoken optimistically about the financial outlook for Lebanon in interviews published in the Press here. Dr. Naaman al Azhari, vice-president of the Bankers' Association, has expressed confidence Lebanon will recover its position as a Midle East money centre as long as stability and security prevail here.

Bankers noted that the physical damage suffered by the banking sector during the crisis was small compared with the harm inflicted on other sectors of the economy, such as industry. Of the 91 local and foreign banks, three banks were attacked and looted by gunmen just before the latest cease-fire was enforced.

The biggest loss was suffered by the British Bank of the Middle East. Banking sources said the main mission at present should be to inspire enough confidence so Beirut may quickly recover its position as the area's business and financial centre.

Industrialists have been assessing the damages inflicted on the factories, while the Cabinet at its meeting yesterday decided to take quick measures to head off an unemployment problem that may arise from workers losing their jobs as a result of the crisis.

Shop owners have been busy removing the debris from their shattered stores in the down town area and many said they are planning to reopen as soon as possible.

Algeria opposes Iraq in reported OPEC split

KUWAIT, Feb. 12.

A SPLIT over cut-price oil sales was reported to-day among the 13 member-states of the Organisation of Petroleum Exporting Countries (OPEC).

Two Kuwaiti newspapers, the weekly Al-Hadaf and the daily Al-Seyassah, said Algeria had opposed a call by Iraq for the OPEC Ministers to hold a special meeting next month. It would be a follow-up to discussions interrupted by the guerilla attack on their Vienna headquarters last December.

Algeria is reported to have strongly opposed Iraq's initiative, accusing the Baghdad Government of selling its oil in Europe at a discount of $0.15 a barrel, and undercutting Algerian oil prices. Algeria said it would not attend the proposed conference until Iraq increased its oil prices.

An earlier move to hold a meeting of OPEC Ministers at Abu Dhabi this month failed because of opposition by four OPEC states, including Algeria. They felt that further discussions could wait until the next scheduled OPEC meeting, due next June in Jakarta, capital of Indonesia.

Al-Hadaf also said: "Kuwait was inclined to accept the invitation for a March meeting but this would depend on a settlement of the Iraqi-Algerian dispute." Iraq had complained last year that a price reduction announced by Kuwait was undercutting Iraqi oil in many markets.

Several OPEC member-states have been trading accusations of price cutting since the decline in world oil demand which became more marked in the second half of 1975.

Reuter

Japan-Australia treaty speed-up

TOKIO, Feb. 12.

JAPAN and Australia agreed to-day to speed up the conclusion of a pending friendship and co-operation treaty.

The agreement came in a meeting between Prime Minister Takeo Miki and Australian Deputy Prime Minister Douglas Anthony.

Mr. Miki emphasised that Japan and Australia must establish a closer relationship as "reliable partners" since the two countries share responsibilities toward developing countries in the Pacific region, Government officials said.

In order to establish such a relationship, Mr. Miki said, Japan wants to conclude the basic treaty, on which negotiations have been deadlocked since 1973 over trade issues such as Japan's freeze on beef imports.

AP-DJ

NOTICE OF MANDATORY PAYMENT

GATX Oswego Corporation

8¼% Guaranteed Notes Due 1977

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of March 15, 1971 between GATX Oswego Corporation, GATX Corporation, Guarantor, and The Chase Manhattan Bank (National Association), Fiscal Agent, $1,355,000 in aggregate principal amount of the above-captioned Notes will be prepaid for the Mandatory Payment on March 15, 1976 at 100% of the principal amount thereof, together with accrued interest to March 15, 1976.

The numbers of the Notes to be redeemed are as follows:

M236	1123	2009	2876	3690	4341	5266	6113	7158	7934	8722	9955	10990	12083	12862	13882	14474	15482	16558	17524	18424	19239
237	1133	2033	2886	3725	4350	5269	6152	7161	7950	8724	9981	11000	12091	12883	13686	14478	15525	16568	17525	18428	19263
240	1134	2036	2887	3734	4372	5270	6166	7164	7961	8736	9994	11032	12092	12884	13692	14514	15526	16587	17588	18448	19274
243	1165	2043	2892	3740	4374	5283	6167	7180	7970	8742	9997	11043	12098	12897	13699	14520	15550	16600	17550	18449	19288
247	1172	2060	2895	3774	4383	5284	6168	7185	7990	8841	10014	11044	12119	12922	13704	14521	15559	16623	17565	18486	19294
267	1176	2063	2899	3775	4384	5288	6252	7188	8010	8893	10036	11071	12120	12946	13736	14523	15561	16626	17621	18514	19300
281	1246	2065	2907	3787	4449	5309	6253	7199	8027	8904	10042	11074	12123	12949	13761	14525	15579	16649	17632	18530	19310
284	1249	2074	2911	3796	4468	5321	6264	7200	8030	8983	10046	11092	12133	12963	13765	14527	15580	16652	17634	18533	19324
292	1253	2094	2912	3803	4474	5322	6282	7218	8034	9010	10051	11097	12140	12995	13769	14538	15591	16665	17644	18549	19344
305	1254	2112	2926	3815	4491	5323	6294	7219	8040	9049	10074	11117	12163	13005	13771	14539	15625	16686	17648	18550	19346
320	1270	2116	2927	3818	4501	5325	6301	7227	8045	9060	10094	11133	12167	13006	13808	14555	15629	16696	17681	18570	19357
323	1278	2117	2942	3831	4514	5336	6302	7247	8050	9073	10101	11135	12179	13010	13861	14563	15633	16710	17688	18575	19383
341	1295	2123	3002	3849	4584	5365	6331	7255	8059	9082	10104	11138	12181	13011	13862	14585	15647	16722	17692	18586	19393
344	1297	2125	3005	3868	4576	5366	6336	7256	8095	9089	10105	11141	12208	13026	13869	14603	15655	16728	17714	18590	19403
350	1303	2140	3017	3877	4577	5373	6337	7270	8098	9091	10129	11152	12224	13079	13878	14622	15677	16730	17720	18592	19459
359	1324	2141	3056	3882	4628	5401	6338	7319	8112	9096	10133	11182	12233	13090	13884	14734	15680	16739	17767	18614	19543
369	1328	2144	3083	3888	4638	5419	6348	7324	8119	9110	10135	11190	12264	13098	13904	14739	15688	16742	17768	18620	19557
376	1329	2146	3109	3897	4643	5423	6350	7449	8129	9120	10158	11226	12267	13113	13920	14742	15703	16811	17773	18671	19559
397	1340	2168	3127	3912	4646	5425	6355	7457	8146	9122	10218	11234	12286	13125	13923	14783	15709	16824	17793	18673	19576
431	1364	2175	3133	3946	4650	5526	6369	7460	8155	9146	10224	11244	12304	13129	13935	14800	15711	16840	17803	18678	19599
445	1394	2198	3146	3965	4664	5535	6393	7463	8160	9155	10226	11251	12308	13138	13941	14803	15724	16846	17808	18692	19608
446	1397	2214	3184	3971	4679	5548	6404	7475	8178	9162	10229	11267	12310	13143	13956	14811	15748	16862	17815	18693	19612
458	1399	2240	3191	3982	4695	5572	6413	7494	8187	9215	10248	11277	12346	13144	13959	14815	15752	16864	17832	18703	19615
459	1403	2258	3199	4003	4730	5598	6416	7509	8213	9223	10249	11285	12348	13153	13970	14834	15762	16873	17835	18727	19628
463	1404	2260	3216	4010	4731	5644	6452	7527	8232	9228	10261	11290	12349	13167	13973	14849	15763	16874	17837	18732	19639
467	1429	2306	3220	4018	4746	5661	6471	7546	8239	9236	10434	11303	12378	13171	13981	14859	15964	16887	17841	18740	19651
472	1442	2369	3241	4020	4752	5676	6510	7557	8244	9262	10462	11305	12387	13180	13998	14895	15975	16889	17845	18742	19698
483	1471	2381	3249	4021	4757	5677	6519	7583	8248	9265	10473	11316	12416	13187	14011	14897	15977	16900	17860	18760	19726
490	1476	2419	3256	4036	4768	5686	6522	7600	8273	9273	10499	11377	12419	13193	14022	14906	15978	16903	17884	18766	19742
504	1477	2433	3259	4037	4782	5691	6530	7602	8274	9280	10541	11392	12420	13196	14030	14912	16018	16904	17893	18772	19744
557	1486	2441	3269	4039	4799	5710	6537	7608	8275	9284	10544	11408	12430	13204	14035	14934	16034	16906	17952	18806	19751
562	1488	2460	3272	4057	4808	5727	6563	7660	8283	9292	10553	11430	12440	13207	14041	14938	16035	16909	17962	18811	19752
566	1529	2541	3277	4061	4825	5737	6581	7663	8299	9306	10594	11434	12466	13210	14047	14958	16058	16944	17966	18812	19769
569	1533	2545	3292	4062	4835	5745	6622	7668	8306	9361	10596	11441	12471	13227	14057	14969	16075	16954	18003	18824	19795
572	1537	2548	3297	4063	4840	5772	6643	7677	8308	9378	10612	11447	12474	13243	14078	14973	16083	16957	18010	18828	19801
582	1560	2579	3305	4066	4848	5777	6694	7683	8309	9404	10630	11453	12491	13247	14079	15009	16086	16968	18023	18846	19819
590	1566	2591	3350	4074	4851	5786	6700	7684	8317	9466	10652	11501	12506	13265	14119	15024	16104	16979	18053	18864	19890
603	1598	2603	3369	4076	4855	5799	6704	7687	8329	9486	10663	11527	12543	13267	14130	15028	16113	16988	18066	18886	19892
654	1601	2622	3370	4080	4860	5816	6705	7701	8336	9508	10668	11540	12552	13271	14135	15152	16117	16989	18075	18893	19897
684	1608	2631	3373	4094	4888	5817	6722	7719	8383	9512	10692	11548	12554	13278	14156	15180	16120	16993	18076	18899	19899
689	1629	2655	3388	4099	4930	5818	6726	7753	8402	9516	10719	11551	12584	13310	14178	15187	16143	17010	18084	18903	19907
691	1636	2660	3394	4108	4945	5830	6727	7766	8411	9529	10720	11562	12596	13335	14186	15189	16160	17011	18110	18944	19924
703	1650	2719	3396	4116	4954	5833	6746	7768	8422	9564	10744	11654	12601	13340	14189	15198	16166	17032	18123	18948	19934
709	1675	2742	3406	4131	4960	5847	6769	7774	8444	9572	10750	11681	12603	13348	14193	15200	16172	17049	18162	19040	19942
737	1680	2753	3407	4139	4969	5857	6775	7784	8447	9611	10776	11689	12612	13383	14203	15217	16181	17133	18165	19058	19946
746	1684	2762	3433	4156	4999	5875	6780	7787	8453	9639	10783	11698	12618	13399	14300	15218	16187	17141	18209	19074	19948
750	1691	2765	3445	4179	5004	5908	6796	7804	8483	9641	10798	11699	12643	13402	14317	15223	16192	17182	18222	19085	19954
758	1696	2766	3454	4183	5027	5912	6816	7806	8485	9724	10800	11719	12646	13414	14319	15228	16195	17193	18227	19094	19955
762	1702	2783	3466	4193	5028	5915	6877	7842	8495	9727	10803	11723	12683	13415	14324	15234	16200	17212	18235	19097	19958
783	1750	2785	3486	4196	5134	5917	6907	7843	8540	9746	10807	11870	12693	13423	14339	15247	16209	17332	18237	19099	19963
792	1751	2787	3497	4219	5149	5919	6919	7844	8542	9758	10835	11888	12723	13425	14351	15273	16238	17337	18241	19112	19968
799	1775	2793	3512	4220	5179	5920	6952	7859	8565	9801	10837	11959	12746	13430	14356	15299	16240	17411	18250	19116	19973
800	1784	2796	3519	4243	5187	5923	6993	7868	8585	9806	10841	11971	12747	13448	14358	15301	16270	17414	18268	19121	19989
835	1791	2800	3528	4246	5188	5924	7044	7871	8590	9808	10858	11978	12756	13473	14369	15319	16408	17434	18269	19122	
841	1841	2806	3532	4248	5214	5933	7059	7877	8597	9814	10872	11986	12764	13496	14381	15320	16432	17441	18272	19126	
850	1857	2807	3546	4257	5225	5955	7069	7880	8645	9841	10895	12030	12767	13506	14389	15354	16495	17446	18282	19193	
1018	1882	2827	3563	4273	5228	6037	7083	7897	8646	9881	10904	12032	12789	13511	14401	15389	16509	17463	18285	19200	
1020	1896	2833	3591	4280	5236	6041	7112	7906	8651	9895	10917	12043	12797	13516	14422	15398	16512	17480	18295	19222	
1023	1910	2846	3595	4306	5241	6056	7120	7910	8665	9921	10953	12046	12802	13543	14423	15399	16527	17485	18306	19224	
1026	1927	2847	3623	4308	5242	6065	7129	7911	8667	9924	10965	12049	12809	13581	14425	15406	16528	17499	18311	19226	
1109	1933	2854	3630	4336	5253	6069	7130	7925	8681	9938	10967	12058	12816	13619	14430	15408	16539	17502	18324	19228	
1110	1986	2867	3638	4338	5256	6090	7136	7930	8703	9952	10983	12065	12824	13654	14447	15420	16541	17516	18392	19235	

On March 15, 1976, there will become due and payable on the Notes to be prepaid the principal *amount thereof together with accrued interest to March 15, 1976.* On and after March 15, 1976, interest on the Notes to be prepaid shall cease to accrue.

Payment of Notes to be prepaid will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment therein of public and private debts. *Payment of Notes prepaid at the hereinafter listed offices of Paying Agents outside of the United States* of America shall be by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City.

Payment of Notes to be prepaid will be made on or after March 15, 1976 upon presentation and surrender of said Notes, with all coupons appertaining thereto maturing after March 15, 1976, at any one of the following Paying Agents:

The Chase Manhattan Bank, N.A.
(Agency Division)
1 New York Plaza
New York, New York 10015

The Chase Manhattan Bank, N.A.
Woolgate House, Coleman Street
London, E.C. 2, England

Banca Commerciale Italiana S.p.A.
Sede di Milano
6 Piazza della Scala
Milan, Italy

The Chase Manhattan Bank, N.A.
Taunus Anlage 11
Frankfurt/Main, Germany

Nederlandsche Credietbank N.V.
Herengracht 458
Amsterdam, Netherlands

Banque de Commerce, S.A.
51-52 Avenue des Arts
Brussels, Belgium

Banque de Suez et de l'Union des Mines
44 Rue de Courcelles
Paris, France

Banco di Roma
Via del Corso 307
Rome, Italy

Compagnie Luxembourgeoise de Banque, S.A.
34A Rue Philippe II
Luxembourg, Luxembourg

Coupons which shall mature on, or shall have matured prior to, said prepayment date should be detached and surrendered for payment in the usual manner.

GATX OSWEGO CORPORATION
By: THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION),
as Fiscal Agent

Dated: February 13, 1976

EUROPEAN NEWS

Iceland facing fishing strike

By Our Foreign Staff

THE EMBATTLED Icelandic Government is facing a new threat in the midst of its fishing dispute with Britain—the likelihood of a general strike by its entire fishing fleet and all organised labour because of a deadlock in pay negotiations.

Strikes are expected in two waves unless agreement is reached between employers and workers in the next few days, with the fishermen staying in port from Saturday, and a general strike by all unions next Tuesday.

Negotiations for a general general wage agreement have gone on since the start of the *year, but Labour sources quoted* by Reuter say there is little possibility that a general strike can be averted.

The fishermen's situation has been affected as much by declining catches in the present crisis as it has been by the country's soaring inflation of an annual 50 per cent.

In the latest cod dispute incidents, two British trawlers had their warps cut by Icelandic patrol boats after allegedly fishing in an international conservation area. The trawlers involved were the Ross Rodney and the William Wilberforce, both from Grimsby.

The incidents brought an angry reaction from the British Ministry of Defence, which accused the Icelandic patrol boats of reckless tactics which had endangered British seamen's lives.

Meanwhile, Dr. Joseph Luns, the Nato secretary-general, left London for Brussels yesterday following his talks with Mr. James Callaghan, the Foreign Secretary, and Mr. Wilson.

Robin Reeves reports from Strasbourg: An unofficial mediator in the cod war has emerged in the shape of Mr. John Prescott, Labour MP for Hull. He announced to the European Parliament here that he was going to Iceland this week-end to discuss the dispute with all concerned, including the Icelandic Prime Minister, Mr. Geir Hallgrimsson.

Mr. Prescott stressed that he had supported Iceland's case up to now on the principle that a nation should have exclusive control over its offshore resources and had condemned the intervention of the Royal Navy as inflammatory. For this reason, Mr. Prescott thought he would get a sympathetic reception. He wanted to find out for himself if there was a basis for resumption of negotiations.

Giscard, Schmidt meet exchange rates problem

BY ROBERT MAUTHNER NICE,

PRESIDENT Giscard d'Estaing of France and Herr Helmut Schmidt, the West German Chancellor, met here to-day for their regular six-monthly summit and resolved to put an end to the current flurry on the exchange markets.

Neither the French President nor his West German opposite number would comment on the subject on arrival here. But the Central Banks of both countries have already taken energetic steps in the form of co-ordinated intervention on the markets to try to stem the run on the franc and speculatio non a revaluation of the D-Mark within the European currency "snake."

What action West Germany and France would take if the markets do not calm down, was still shrouded in mystery tonight, and forecasts were all the more difficult given the domestic political obstacles in both countries to any modification of the mark/franc central rate within the joint European float.

With parliamentry elections due in the autumn of this year, Herr Schmidt clearly wants to avoid a revaluation of the mark, which would provoke the hostility of the German business *community*, and any devaluation of the franc only seven months after it had rejoined the "snake" would be interpreted in France as a *serious setbac*

Giscard.

While French an lips remained sealed c ticular issue, M. Gisc to be much more will about the political p the agenda of the. Speaking to reporters tête-a-tête with the Chancellor, the Fre dent permitted hims able outburst on the Europe to take a leac world affairs.

Europe was entir from major ir developments, he said particularly striking one really believed any intention of con their solution.

In this context, referred specifically which continued to b Europe by special agreements such as Convention. He was to be *particularly* about the fact that t Market had not co-ordinated attempt peaceful solution to or Saharan conflicts.

The *main* problen to the French Pre that of Europe's capacity" to adop policies which wou international affairs. elaborate on his sta the emphasis which Europe's decision-ma was seen by obser indication that he with Herr Schmidt a streamlined Euro torate" of three or f Market countries.

The French evide that only the creati directorate would European Commun rapid and clear times of crisis, once enlarged by the e members such as the European Pa elected by universa

Mean and Matter

Bonn's money choice

BY NICHOLAS COLCHESTER BONN, Feb. 12.

THE MONETARY statistics in the latest monthly report from the Bundesbank provide clear evidence of a change for the better in the business climate, but also show how the Bundesbank is going to have to tighten the monetary reins if it is to stay within its self-imposed limit of only 8 per cent. growth in the average money stock this year.

Over the course of the last quarter of 1975, says the Bundesbank, the total amount of credit in West Germany was growing at a seasonally-adjusted annual rate of 16 per cent., compared with 13 per cent. over the *previous quarter. One half of new* bank credit granted in the last quarter was to companies and private individuals, compared with a proportion that averaged one-fifth over the first three *quarters. The Bundesbank con*cludes that the period of financial consolidation in the corporate sector has now come to an end.

This pickup in the demand for credit was reflected in the *monetary aggregates. The broad*est definition of the money stock rose at a seasonally-adjusted annual rate of 15 per cent. between October and December, and its level at the end of the year was 8.5 per cent. above that at the beginning.

The quantity that the Bundesbank likes to steer is central bank money — an aggregate whose movements match quite closely those of the broadly-defined money supply. After rising strongly in the first quarter this aggregate slowed its growth rate noticeably in January, despite neutral monetary policies on the part of the Bundesbank.

Nevertheless the self-imposed *margin for* upward movement this year is small. Central bank money was already 5 per cent. above the average level for 1975 at the end of 1975. This aggregate thus needs to move up only *a little more than* 3 per cent. from its year end level — and stay there — for the Bundesbank to be breaking its own rule. Bankers are already asking whether — given an unemploy*ment problem and an embarrass*ingly strong deutschemark — this rule can be stouck to.

Italian Government sworn i

BY ANTHONY ROBINSON ROM

ITALY'S new Christian Democrat minority government was sworn in to-day by President Giovanni Leone, but in a slightly different form from that announced last night. Defence Minister Arnaldo Forlani refused to accept the Interior Ministry on an interim basis as well as Defence, so Prime Minister Aldo Moro has been obliged to take over himself responsibility for the Ministry of Interior.

Sig. Forlani said it was just not technically possible for one man to assume the responsibility for these two important and delicate ministries, but also made clear that Sig. Moro's original decision had been taken without prior consultation.

This is interpreted here as another example of the strong internal tensions within the *Christian Democrat Party.* Sig. Forlani has been strongly tipped as a leading contendent for the post of party secretary, presently held by Sig. Benigno Zaccagnini, a close ally of Sig. Moro. It *would have been very difficult* for Sig. Forlani to devote much time to organising his attempt at the party leadership if in the meantime he was saddled with these two ministries.

The incident is a clear indication of the kind of struggle for the soul of the party now shaping up in anticipation of the party congress this spring. The principal dividing line is likely to be between that part of the party which favours a closer alliance with the Socialist Party as an intermediate stage before accepting some form of formal co-operation with the Communist Party, and those whose spiritual leader is Sig. Amintore Fanfani and who stand ins anti-Communist role preferring a dir opposition to any f toric compromise."

Already the forn new government is here to the sort which developed mediately prior to Party's entry in Centre-Left coali ment.

Spanish newspaper silenced

FOR the first time since the Spanish civil war 37 years ago, a politically inspired strike yesterday shut down a Madrid daily newspaper, UPI reports.

Nuevo Diario was closed by its editorial staff to protest court action brought by military authorities against one of its members, Rodrigo Vazquez Prado, a reporter, was indicted on a charge of contempt of military juridicial authorities for refusing to name the persons who attended a recent news conference. The briefing was given by persons claiming to represent dissident military officers.

Trade deficit grows

BY OUR OWN CORRESPONDENT ROM

A SHARP deterioration in the Italian trade account over the last quarter of 1975, due mainly to a sharp rise in imports in response to stock building and *the first signs of a slight improve*ment in the industrial production trend, has reduced the still considerable improvement in the overall balance of payments position registered by Italy in 1975.

The balance of payments deficit last year amounted to L1.129bn. But this takes into account the repayment of around L600bn. of foreign loans. Without these repayments, of which the most noticeable was the repayment of $500m. to the Bur deficit would have

This compares wi ments deficit of L the 1974 deficit un *underlying deficit p* the compensating foreign loans contr period. Without the deficit would ha L4,900bn.

On trade accoun stered a L2,321bn. year, according to t visional figures fror statistical office. Thi one-third of the L6 accumulated in 197

SNP leader talks of separate Scottish EEC sea

BY ROBIN REEVES STRASBOURG

THE SCOTTISH National Party gave notice here to-day that if it wins a majority of Scottish seats at the next General Election, it will regard this as a mandate to negotiate to make Scotland the tenth member of the European Community.

Mrs. Winifred Ewing, the SNP representative in the European Parliament, told a *Press* conference here to-day that in such circumstances "it would be totally unacceptable to Scottish opinion not to have the option of our own seat at the top table." Luxembourg — with half the population of Edinburgh—was separately represented at the Council of Ministers. Scotland also had a bigger population than the Irish Republic and was the same size as Denmark.

Before the Nine became Ten, however, Mrs. Ewing indicated there would have to be some "hard bargaining." In particular, they would press for a radical reform of the common fisheries policy and proper safeguards over the control and extraction of Scottish oil. She suggested that the outcome of such a Scottish "renegotiation" might have to be put to the Scottish people in a referendum.

Mrs. Ewing was a Press conference by colleagues, Mr. Dou son, the *party* wh George Reid, the SN on devolution, who visit to Strasbourg, it, to "test the tem the Community insti emergence of an Scotland.

[H]aferkamp predicts [E]EC growth rate [w]ill top 3 per cent.

ROBIN REEVES STRASBOURG, Feb. 12.

EUROPEAN Community
[...]k forward to an average
growth in real terms of
[...]cent. to 3.5 per cent. dur-
[...] coming year, according
[...] Wilhelm Haferkamp, the
[...]s Commissioner respon-
[...]r economic affairs.
[...]g a generally optimistic
[...]ent of 1976 economic
[...]ts. Herr Haferkamp told
[...]ropean Parliament here
that the growth in real
[...]uld be strongest in West
[...]y, France, Holland and
[...]k (about 4 per cent. to 5
[...]t.) and weakest in the
[...]eland and Italy (1 per
2 per cent.).
[...]ply to a question about
rumours of impending
[...] revaluations affecting
[...] "snake," Herr Hafer-
[...]tated he regarded such
as "stupid" and that
[...]d "no solid economic
[...]
[...]ing to the EEC economy,
[...]he successes achieved in
campaign against infla-
to be consolidated and
[...]on. "This will enable
[...]ge increase in consumer
[...]thin the Community to
[...]ed by a further 2.5 per
[...]976."

Herr Haferkamp forecast that the accelerated growth of imports arising from the economic resurgence could increase the balance of payments deficit by about \$6bn. for the Community as a whole. "This development is a contribution which the Community must make to the restoration of the world's balance of payments," he said.

Predictably, the Commissioner stressed that priority must be given in 1976 to reducing unemployment. The first signs of an improvement in the employment situation were already visible in Germany and Holland, but this did not mean that the unemployment problem had been solved. Efforts to reduce unemployment through active national and Community labour policies, particularly among young people, should not be relaxed.

His overall optmism about the Community's economic prospects was firmly based on indications that "restraint" by private consumers is easing, stocks are again building up and world trade is reviving. But he cautioned that industrial investment was still slow and an improvement in this area was still essential.

THE BALKAN CONFERENCE

A symbolic step on the road to co-operation

BY PAUL LENDVAI IN VIENNA

FIVE MONTHS after a bold initiative by the Greek Premier, Mr. Constantine Karamanlis, a symbolic first step was taken last week by the Athens conference of five Balkan countries towards a meaningful regional co-operation.

The political significance of the strictly non-political, 11-day talks dealing with such problems as agriculture, commerce, energy, telecommunications, transport and ecology, lay in the fact that they took place at all, in view of the Greek-Turkish conflict and a host of other political differences.

Though the conference failed to produce concrete results, let alone a spectacular breakthrough with regard to a new institutional framework for multilateral co-operation, it provided a unique occasion for a *tour d'horizon* since this was the first Balkan-wide meeting at a governmental level and on such a scale since the Second World War.

More important still, both the conference itself and its subsequent echo served to show the possible scope of, and the existing limits to, Balkan co-operation based on a new set of relationships. While the absence of maverick Albania was a foregone conclusion, Bulgaria's behaviour at the conference came as a rude shock to participants such as the Romanians, who were pushing for the setting up of a Balkan chamber of commerce and other Balkan-wide institutions. It was at Bulgarian insistence that the vague joint communique merely spoke about the list of proposals to be submitted to the five governments, which in turn would select those suggestions and measures they regard as "useful and acceptable" and decide on their subsequent implementation on a multilateral basis. Even the reference to the calling of a second similar meeting was conditional.

As the Belgrade "Politika" put it in a sober assessment, the meeting illustrated the twin aspects of the current situation in the Balkans. On the one hand, the tendency of growing independence displayed by such states as Romania, Turkey and Greece and their readiness to co-operate made such a conference possible. On the other hand, the existence of "old outside interests" and of disputes among some Balkan states excluded the possibility of holding the conference at top political level and of dealing with the key issues.

The conference was held at expert level, with Yugoslavia, Romania and Greece represented by Deputy Ministers or Under-Secretaries, while Turkey and Bulgaria sent only the Directors-General of the Foreign Ministry and the Foreign Trade Ministry respectively. As the delegations, consisting of about 70 experts, presented nearly 200 wide-ranging proposals, all parties had to agree that there was "common interest" in developing Balkan economic and technical co-operation.

> 'In view of the manifold differences . . . quicker progress towards institutional co-operation on a regional basis would indeed have been a miracle'

But the truth of the matter is that what "Politika" called the influence of "old, non-Balkan interests" proved, much more than the Greek-Turkish dispute, the single most important obstacle to tangible progress at the Athens talks.

When Mr. Todor Zhivkov, the Bulgarian party leader at the last party congress in the spring of 1971, omitted from his speech on delivery a passage about multilateral co-operation in the Balkans, it was a significant straw in the wind that the Kremlin opposed the movement for regional co-operation without Soviet participation. On the eve of the Athens conference, Mr. Zhivkov told visiting Turkish Prime Minister Mr. Suleyman Demirel that progress of good-neighbourly relations on a bilateral basis was the "realistic way" to reach confidence and mutual understanding in the Balkans. He considered multilateral co-operation possible only in those spheres which are really "acceptable" to all Balkan states. The same statement was repeated by Foreign Minister Mladenov when he was sent to Athens 12 days before the opening of the Balkan conference.

By contrast, the Romanians and the Yugoslavs stressed the necessity of further conferences and of setting up Balkan-wide institutions. There were, of course, also differences in the degree of emphasis between Greece and Turkey, with the latter opting for modest but concrete results rather than ambitious projects unlikely to be realised in the near future.

Yet the fact remains that Bulgaria was the real stumbling block and that the sharpest exchanges were between the Bulgarian and the Romanians, fellow members of the Soviet-dominated Warsaw Pact. The Bulgarians enthusiastically supported the Romanian proposals for accepting the principle of unanimous decision-making and then lost no time in raising repeated procedural difficulties, in the event successfully hindering the setting up of Balkan-wide commissions or institutions.

Romanian President Nicolae Ceausescu stressed in a speech at a congress of local councils in Bucharest that multilateral regional co-operation in the Balkans is "not directed against any one," it cannot harm any country or group of countries. On the contrary, such peaceful co-operation on a regional basis would only contribute to detente and security in Europe. Regardless of the lack of concrete decisions, the Romanian Press claimed that the Athens conference asserted the idea of continuity. As Scinteia, the party paper, stressed in an editorial, the conference must be considered as the first phase of a process aimed at giving new dimensions to multilateral co-operation.

The Yugoslavs were less enthusiastic and probably more realistic in assessing the significance of the first post-Second World War Balkan conference. In view of the manifold differences, quite apart from the Cyprus conflict and the Macedonian quarrel between Sofia and Belgrade, quicker progress towards institutional co-operation on a regional basis would indeed have been a miracle. A Yugoslav-Albanian border incident, in which the commander of an Albanian fishing boat was killed, embroiled, for example, the two independent Balkan neighbours in a new conflict after a period of reduced tension at the very time when the Athens conference was in progress.

In view of this tangled background, the Balkans of to-day still have a long way to go before catching up with the stage reached already four decades ago. After all, a Balkan chamber of commerce, A Balkan medical union and an agricultural chamber, now opposed by Bulgaria, were operating already in 1931-33. Thus the Athens conference was a symbolic beginning to a very long pull.

[...]tunes, Areilza meet border town

LISBON, Feb. 12.

[FO]REIGN MINISTERS of
[...] and Spain met in the
[...] town of Guarda to-day
[...]est high-level meeting
[...]he two countries since
[...]demonstrators burned
[...] Spanish Embassy here
[...]mber.
[...]choice of Guarda,
[...] highest and coldest
[...] miles North-east of
[...] announced only last
[...] security measure.
[...]eting between Portu-
[...]eign Minister Ernesto
[...]nes and his Spanish
[...]t, Sr. Jose Maria de
[...]as held to discuss rela-
[...]een the two nations
[...]ational questions.
[...] the first Ministerial
[...]tween the two coun-
[...] the death of General
[...]t November and the
[...]f a Leftist uprising in
[...]round the same time.
[...]thdrew its diplomatic
[...] Portugal to protest

against the burning of the Spanish Embassy by Leftists, but the Embassy recently resumed its activities.

Major Melo Antunes travelled to the Portuguese border town of Vilar Formoso to meet the Spanish Foreign Minister and the two delegations then flew to Guarda by helicopter. The two sides were expected to draw up a joint communique before Sr. De Areilza returned to Spain.

Portuguese Foreign Ministry officials refused to say whether political subjects would be discussed between the two countries, which are linked by a 1939 mutual non-aggression treaty known as the Iberian Pact. But observers noted that Portugal is currently drawing up legislation aimed at expelling thousands of foreign Leftists from the country—a move which could particularly affect opponents of the Madrid regime.

Reuter

[Cy]prus caution on talks

[BY OU]R OWN CORRESPONDENT NICOSIA, Feb. 12.

[GR]EEK CYPRIOT and
[Turkish Cy]priot negotiators, Mr.
[Cl]erides and Mr. Rauf
[...] are preparing to fly to
[...] week-end for the new
[C]yprus peace talks due
[...]re on Tuesday in the
[...] the United Nations
[...]neral Dr. Waldheim.
[...] Cypriot spokesman
[...]e discussions would
[...]tain principles con-
[...] territorial question,
[...]d federal system and
[...]of the central Govern-
[...]
[...]sh Cypriot official
[...]he forthcoming nego-
[...] a new series of inter-
[...]alks"—stressing the
[...]nt of view that the
[...]stituted a departure
[...]ited Nations resolu-
[...] Cyprus problem.
[...] negotiating process
[...]y preconditions and
[...] of reaching a com-
[...] agreement on all
[...] agreed by the Greek
[...] Foreign Ministers,

Mr. Dimitrios Bitsios and Mr. Ihsan Sabri Caglayangil, in Brussels last December.

Cypriots received the news that the talks will be definitely resumed with some relief but also with little enthusiasm, bearing in mind that the previous four rounds of negotiations failed to achieve real progress.

Greek Cypriots are eager to find out the extent of territorial concessions the Turkish side is prepared to make. But Mr. Denktash has repeatedly stated in recent weeks that it would be unrealistic for the Greeks to expect important concessions and that the Turks would be ready to discuss only "readjustment" of the boundary line between the North and the South.

Mr. Denktash also declared that if the Greek Cypriots proposed a settlement providing for the return of all 200.000 Greek Cypriot refugees to their homes in the Turkish-occupied North, then there would be no progress at the negotiations.

[Gre]ek wages arbitration

[BY OUR O]WN CORRESPONDENT ATHENS, Feb. 12.

[...] between Greek
[...]employers on wage
[...]ncreases has been
[...] court of arbitration.
[...]l Confederation of
[...]) is asking for a 25
[...]rease in minimum
[...]salaries, while the
[...] Greek Industries is
[...] 14 per cent.
[...] GCL cancelled the
[...]ctive labour agree-
[...]mber 2, it asked for
[...] rise and increased
[...]s for workers. The
[...] has since reduced
[...] 25 per cent., claim-
[...]esents the 15 per
[...] rate recorded in
[...]5, and the 10 to 12
[...] forecast for 1976.

Minimum wages and salaries were increased by 20 per cent. in 1975—12 per cent. in March and 8 per cent. in August. Minimum daily wages for unskilled workers now stand at Drachmas 219 (£3.12) for men and Dms.190 (£2.71) for women.

Under the country's labour law, trade unions have the right to take labour disputes to the work remuneration services of the Ministry of Labour which has 15 days to reconcile the parties. If this procedure does not bring about an agreement, the dispute is referred to the Minister of Labour, and thereafter to a court of arbitration. Either side can appeal against the court's decision.

Prosecution asks for acquittal in Dassault bribe case

AMSTERDAM, Feb. 12.

THE PROSECUTION to-day asked for the acquittal of a man charged with trying to bribe two leading Dutch Parliamentarians to promote the sales of a French warplane to the Dutch Air Force.

Mr. Jan. Botterman, the Dutch representative of the French Dassault Aircraft Company, had gone on trial on Tuesday following accusations that he had used bribery in an attempt to influence the Government to buy the Mirage F-1 fighter aircraft.

But public prosecutor Fritz von Mayenfeldt to-day asked the court to dismiss the charges and criticised the two Parliamentarians, Mr. Piet Dankert and Mr. Wim Keja. Both are members of the Dutch Parliament's Standing Defence Committee.

The Mirage was competing with the American General Dynamics F-16 and Northrop twin-engined F-17, and Sweden's Saab-Viggen Eurofighter, to win a contract from a four-nation European consortium.

Holland, Belgium, Norway and Denmark were seeking an aircraft for their air forces to replace their Lockheed starfighters. The four eventually chose the General Dynamics F-16 in a deal worth more than \$2bn.

Mr. Dankert testified on Tuesday that Mr. Botterman offered him a piece of land in the south of France and possibly an additional sum of money.

Reuter

Soviets hit out at China's sea law stand

MOSCOW, Feb. 12.

THE SOVIET Union to-day returned to the attack on China's stand at the United Nations Law of the Sea conference, accusing Peking of trying to turn the world's oceans into an arena of conflict.

The Communist Party Daily Pravda said Peking's proposals at the conference, due to start its third session in New York next month, were aimed at liquidating such fundamental concepts as the open sea, territorial waters, freedom of navigation through international straits "and others which are generally recognised."

The article attacked the idea of a 200-mile wide territorial water limit, suported by China, rather than the 12-mile limit favoured by the Soviet Union.

Reuter

[Hu]ngarian Primate appointed

[BY PAUL L]ENDVAI VIENNA, Feb. 12.

[...] to-day appointed
[...] Lekai, 66, as Arch-
[...]ergom and Primate
[...]us completing the
[...]isation of relations
[...]he Roman Catholic
[...]e Communist state
[...]and, and between
[...]nd the Hungarian
[...]n the other. Dr.
[...]ccessor to the late
[...]h Mindszenty, who
[...] in Vienna but was
[...]imate of Hungary
[...]974, by the Pope.

Cardinal Mindszenty who spent many years in prison (1949-56) and following the crushing of the 1956 revolution found political asylum in the U.S. Embassy in Budapest until his departure 15 years later to Rome, was the symbol of total opposition to the Communist regime. Thus the appointment of the new Primate marks what might become the beginning of a new phase in Church-State relations. There are about 7m. Roman Catholics out of a total Hungarian poulation of 10.5m. The new appointment also means the replacement of the 75-year-old Archbishop Ijjas as temporary head of the Bench of Bishops. He had been widely regarded as being far too conciliatory towards the Communist regime.

Educated in Rome, Archbishop Lekai was a secretary of Cardinal Mindszenty in 1944 and was imprisoned by the Hungarian Nazis between November, 1944, and February, 1945. Several bishops are senior to the new Primate in the Hungarian Church hierarchy and therefore his appointment must be regarded as something of a compromise solution. It was approved already last November when the Hungarian Prime Minister Mr. Gyorgy Lazar, was received by Pope Paul in the Vatican.

The appointment of a new Primate, who is regarded as the traditional guardian of the Crown of St. Stephen, the first Christian King of Hungary, is bound to give a new, perhaps decisive push to the efforts to get back the crown which since World War Two has been guarded by the authorities in the U.S. The crown had been taken from Budapest by the retreating Fascist troops in 1945 and was found by the American army in Bavaria. Previously the U.S. Administration rejected the Hungarian requests for the crown on the grounds that under Hungarian law and tradition the Primate was the guardian of the crown. It is regarded as the symbol of the continuity of the Hungarian nation.

Signs of 'turning point' in steel recession

BY ADRIAN HAMILTON

THE FIRST indications that the steel market is "passing through a turning point" in the worst recession experienced in 40 years were given yesterday in the latest steel industry statistics for January.

The statistics, produced by the British Steel Corporation and the British Independent Steel Producers' Association, show that production in the country is still running at low levels compared to last year.

January's output figures, at 392,300 tonnes a week, although partly explained by the Port Talbot strike which led to a loss of 30,000 tonnes a week were over 13 per cent. down on the same month last year.

Consumers, the two organisations say, are still cutting back their stocks over a wide range of products and, with stocks still high in relation to consumption, any recovery from the recession is expected to be gradual.

Nevertheless the January weekly average output, despite the effects of the Port Talbot strike, is still higher, at nearly 400,000 tonnes, than for any month since last April on a

STEEL PRODUCTION
(Weekly average '000 tonnes seasonally adjusted)

	1974	1975	1976
January	399.7	453.7	393.9
February	400.8	483.2	
March	404.0	495.1	
April	436.9	402.7	
May	430.1	327.3	
June	471.2	334.5	
July	460.1	301.9	
August	435.3	333.0	
September	430.2	342.8	
October	426.5	375.4	
November	425.6	379.0	
December	441.1	340.2	

seasonally adjusted basis and represented a particularly sharp rise from the low of 340,200 tonnes a-week, seasonally adjusted, recorded in December of last year.

In terms of actual production, sharp increases were recorded in almost every region on last December, although still showing a fall on January of last year.

The Yorkshire and Humberside region, at 153,500 tonnes a-week, was up on the same month last year in January but substantial falls on annual basis were recorded in both Wales, at 75,100 tonnes, and Scotland, at 34,600 tonnes weekly average.

The main evidence for an actual recovery in demand seems to be on the strip mills side, particularly for steel products used in the car industry.

Here, prices are hardening both here on the Continent and it is to the Continent too that the industry is looking for a lead to the more general recovery in steel demand now predicted for later in the year.

Home demand for steel in the construction and consumer goods sectors of the economy remains depressed, on the other hadn, and there is some feeling that a recovery in these markets may not occur until next year.

Electricity Boards ask for price rises

BY ROY HODSON

THE ELECTRICITY boards want to raise £270m. from domestic, commercial and industrial users in 1976-77 to cover rising generation and distribution costs.

The Price Commission last night received applications from the Electricity Council on behalf of the 12 area Boards, asking for increases which average 11 per cent. for domestic consumers and 8 per cent. for industrial consumers.

However the applications do not represent the full extent of likely electricity price rises in the coming financial year. They do not take into account an imminent 15 per cent. rise in the pithead price of coal.

As forecast in the Financial Times on January 29 the *National Coal Board expects* to be granted that increase from April. The immediate impact upon the electricity generation industry will be to add £150m. to its £1,000m. annual coal bill. This will have to be passed on to electricity consumers as a further rise of about 5 per cent. on domestic and industrial tariffs.

Thus the emerging pattern of the new round of electricity price rises is that consumers can expect to be paying the new tariffs now before the Price Commission when they receive their July bills. Their autumn bills will probably reflect the further 5 per cent. increase brought about by higher coal prices.

The wholesale price of electricity set by the Central Electricity Generating Board—the bulk supply tariff—has been set at rates which should bring in between 5 per cent. and 6 per cent. more during 1976-77. The Board could have sought slightly more from the Price Commission on the basis of its allowable costs.

The industry made a policy decision, however, to keep its application as low as possible to help keep up sales of electricity and avoid losing customers to gas. At best the electricity industry does not hope to increase sales by more than 1 per cent. or 2 per cent. in the coming year.

Off-peak supply

An important new feature of the 1976-77 bulk supply tariff is that it slightly reduces the wholesale price of off-peak electricity supplied at night from 0.58p a kilowatt hour to 0.51p. Meanwhile, day-time peak electricity is to cost 1.81p a kilowatt hour—an increase of 0.21p on current rates.

By widening the differential, the CEGB is hoping to encourage greater use of cheap electricity at night for industrial processes and domestic heating.

Such a differential has been adopted as a permanent feature of the electricity industry's pricing policy. The big generating sets which run throughout the night are proving so economical that it is felt that all future electricity pricing must be geared to take maximum advantage of their output.

● NEWS ANALYSIS—JIMMY REID

Folk hero moves on

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE BRITISH Communist Party yesterday lost one of its most colourful and charismatic leaders with the resignation of Jimmy Reid, the 43-year-old Scottish shop steward who became a household name when he directed the work-in by employees of the bankrupt Upper Clyde Shipbuilders group in 1971-72.

At a formal level, Mr. Reid has quit the Communist Party after 26 years because he is fed up with its intellectual impoverishment.

He was a member of its national executive and a former Scottish secretary, and stood on the "liberal" wing of the party, but he has never succeeded in persuading it to popularise itself as a social crusade rather than confine itself to being a vehicle essentially for industrial confrontation.

He hinted at some of this yesterday. At his Clydebank home, he referred to his part in British Road to Socialism, re-writing the manifesto in 1968. That effort to widen the party's appeal remained, however, "a dead duck," and as a result, in his view "the Communist Party's democratic credentials are suspect." He spoke of the "tunnelled, narrow thinking" of some party leaders. In that sense Reid runs in tandem with the forces which are persuading other West European Communist parties, notably in Italy and France, to loosen Stalinist ideologies and to cultivate instinctive national identities which owe far less than in the past to an observance of "the Moscow line."

The democratic and Parliamentary route to influence always appears to have interested Reid more than it has, for example, that other Scottish stalwart of the Communist Party, the miners' leader, Mr. Michael McGahey. Yet the party's obsession with its industrial muscle has been no stepping stone to electoral favour for Jimmy Reid.

Twice he has fought General Election campaigns in Central Dunbarton. In the wake of the UCS campaign, he looked at one time to be the Communists' likeliest prospect for Westminster in 20 years.

Yet he was mauled worse than even he had expected—he has been, in that sense that most appealing and hopeless of all political figures: the folk hero with no votes.

He is preparing to fight for the second time for union office. He sought, with Hugh Scanlon's approval, the post of Scottish representative on the national executive of the engineering union, but was decisively beaten by the moderate Gavin Laird. Now he is contesting Laird's vacated post of the union's Scottish organiser.

There are bound to be those who see his resignation from the Communist Party as an attempt to improve his chances in what is likely to be a four-cornered contest.

The reason for Reid's "heart-wrenching decision" is much more likely to be found in his appreciation of the new nationalist dimension in Scottish politics. His instincts are nationalist, and the socialism he preaches in his harsh Clydeside accent is rooted in his perception of a distinctiv history and culture.

Indeed, to-day, ma confusing arguments government and the d of Scotland which nov political debate no Border have flowe from the Pandora's b opened during the to work" campaign.

By one of those cidences, the Scotti Party was demonstra day how respectable trade union votes since the UCS crisi its first formal m leaders of the Scotti

Reid knows that tical system is bei Scotland, and he perately to be part o tion of Scotland's e resisted the nervo during his three-yea of Glasgow Univers brace which w suffocated lesser now has to choose a home.

He cannot escape for long the questio he will realign hims of Scotland's "ne The most obvious c would appear to be *Scottish National P* infant break-awa Labour Party, both dedicated to winn support for the ide Home Rule.

He might rightly as a mixed blessin party, but that wi sarily stop him seek the mainstream of tics.

Criticism of U.K. banking system is 'misplaced'

BY MICHAEL BLANDEN

THE NEEDS of industry are best served in the long run by "fostering a competitive banking system and capital market," Professor Harold Rose, of the London Business School argued last night.

He saw "no case in principle for the type of equity investment institution which the Bank of England is sponsoring." And he maintained that much of the criticism of the clearing banks because of their preference for overdraft finance was "misplaced."

Giving the second of the London Business School Stockton Lectures, Professor Rose tackled the controversial issues surrounding recent criticism of the City for failing to support industrial investment, and the unfavourable comparisons made with the more bank-oriented financing systems of France and Germany.

He pointed out that to a considerable extent the different patterns of industrial finance in these countries and in Japan were the result of historical factors. The involvement of banks in Germany and France in direct participation in industrial equities, he said, "has been due as much to the force of circumstances as any theory of economic growth."

Professor Rose emphasised two general influences. One was the "greater preference of savers in France and to some extent in Germany for short-term assets" which was "bound to give the banking system a commercial advantage in the terms on which finance could be raised."

Secondly, "in Britain the new issue market has been fed by the flow of saving through life assurance and pension funds which is on a scale unequalled in France, Germany or Japan." The demand for industrial securities by the institutions, Professor Rose maintained, consistently outran the flow of new industrial issues, "a factor which alone should be enough to rebut any crude charge that industrial investment generally is held back by the inadequacy of the supply of long-term finance."

He argued that the higher debt ratios in France, Germany and Japan reflected restrictions on the forms of finance available rather than choice on the part of companies. He suggested that "the last thing we should do is to restrict the supply of equity finance" since the most likely result would be to inhibit managers from taking risks in investment decisions.

Commenting on the British banks' role in relation to industry, Professor Rose argued that the banks in this country "have usually erred on the side of softness." He drew attention to the growth of term lending by the banks, and suggested that most U.K. companies would not actually want to replace the overdraft by more expensive formal term loans.

The conventional contrast between British and other commercial banks, as opposed to specialist long-term institutions abroad, was exaggerated, he also suggested.

Turning to recent criticisms of the stock market, Professor Rose maintained that on a true comparison, "for better or for worse, the British share market supplies a higher proportion of the company sector's external finance than in France and Germany." He saw "no evidence of any general 'shortage' of finance for quoted companies and none that high interest rates, which would be the mark of a shortage, can be attributed to the structure of the market rather than to our inflation."

Concentration of investment risks on a small number of bank-like institutions would only increase the instability of the financial system, he said, and require much closer support by the State. "Any new restriction or distortion of the British capital market based on superficial comparisons with the systems of other countries will do little but harm," he commented.

NVT factory wins £5m. rescue order from U.S.

BY OUR WOLVERHAMPTON CORRESPONDENT

THE Norton Villiers-Triumph motor-cycle factory at Wolverhampton, which has been in the hands of the liquidator for seven months, has won an order for 7,000 machines a year—even though it cannot make even a toy bicycle at the moment. If the order becomes a reality it could be worth about £5m.

The order, which will guarantee the sale of all cycles produced in the first year of operation at the factory once it gets back on its feet, comes from Mr. Joe Berliner, head of the Berliner Corporation of the U.S.

An agreement has been signed in principle by Mr. Berliner, whose company handles vehicle distribution, and Mr. Ronald Titcombe, the Australian oil man whose consortium has put in a £4m. bid to buy the Marston Road factory.

Negotiations are currently in progress for Mr. Titcombe's consortium to purchase the factory and contracts drawn up by the liquidator, Mr. Kenneth Morgan, are expected to be signed in the next few weeks.

A meeting is to be held next week to discuss the phased return of the 800 workers who have been sitting in since last August. Next Thursday Mr. Berliner, who will buy and market the 7,000 cycles under the Berliner name in America, will fly in to look around the factory.

Directors in Britain 'see themselves as poor cousins'

FINANCIAL TIMES REPORTER

BRITISH COMPANY directors regard themselves as "the poor cousins of Western capitalist society," according to a survey of Institute of Directors members which was carried out recently by Lansdowne Publications.

The Director magazine, published to-day, states: "British directors rate themselves less well off than their foreign colleagues, not only in terms of salary but also in terms of taxation, bonuses, share option schemes, and other fringe benefits."

One thousand Institute members replied to a detailed questionnaire about the nature of their work, the various responsibilities they exercise and the pay and "perks" they receive.

What emerges, says The Director, is a portrait of "the director at work" in contrast to the popular conception of the chauffeur-driven, port-drinking executive.

"It has probably not escaped most able young British managers that a second EEC language could be worth several thousand pounds a year to them in salary; for the cost of a language course, they could be gone within a few months."

Directors, the survey adds, do their full share of what trade unions have termed "unsocial hours." Half the directors in the study had spent more than a month away from the office in the past year, and nearly one-fifth had spent more than two months away.

Perquisites

The survey also finds that contrary to popular opinion, directors do not receive vast numbers of perquisites denied to middle management and other staff.

"Posession of a company car (82 per cent. of the sample), paid holidays of four or five weeks (73 per cent.), and membership of assisted health insurance schemes such as BUPA (32 per cent.) are benefit monly enjoyed management in pro panies and are fa the exclusive privi tors," adds the sur

Another article i tor discusses the " social ethics which management from force. "Generally, Barry Maude, a writer, "managers have been to diff They live in diffe *town, go to differer* mix socially. Neith other's point of vi

The writer discu of view of Sir Ric British Rail, who have got to be where you have a ship with the chap side."

Directors' Inco Lansdowne Public House, The Mall. £90 (members) £1 bers).

Importers selling more commercial vehicles

BY OUR INDUSTRIAL STAFF

IMPORTERS gained a bigger share of a falling commercial vehicle market in January, according to figures released by the Society of Motor Manufacturers and Traders to-day.

The commercial vehicle sector, which tends to reflect more closely the performance of the national economy than motor cars, recorded a 19 per cent. drop in sales, to 18,319, compared with January last year.

Importers increased their market share from 11.2 per cent. to 12.9 per cent., but no undue significance is attached to one month's figures.

While each of the British manufacturers sold fewer vehicles, British Leyland (with 31 per cent.) and Ford (with 31.4 per cent.) both increased their share of the market.

By contrast, Bedford's market share fell from 20 per cent. to 16.15 per cent. and Chrysler dropped from 6.55 per cent. to 6.1 per cent.

Leading importer was Volkswagen, with 438 sales, all in the light-van sector, ahead of Chrysler France, with 410 sales.

The SMMT reports that the hardest-hit market was for goods vehicles up to 3½ tons, where sales were down by 23 per cent.

Sales of car-derived vans and pickups fell by 18 per cent., to 6,858, with British models suffering a greater loss than importers.

Aluminium demand up in fourth quarter

BY RHYS DAVID

DEMAND FOR aluminium from industry in Britain showed some improvement in the fourth quarter from the depressed levels recorded in the middle of the year, the latest figures from the Aluminium Federation, published yesterday, suggest.

Though December was a relatively poor month for the industry because of the holiday period, the monthly average for despatches of extruded products — used in building, vehicles and various other applications—rose in the fourth quarter to nearly 14,300 tonnes, compared with 12,577 tonnes in the third quarter and about 13,500 tonnes in the first two quarters.

Over the year as a whole total despatches of extrusions fell back by around 24,000 tonnes to 161,607 tonnes—a drop of 13 per cent. on 1974.

In rolled products, some improvement is also detectable in the final quarter. In the first six month, total shipments were running at around 15,600 tonnes per month, falling to 13,400 average per month in the third quarter.

In the October-December period, however, some restocking by customers appears to have taken place, and the monthly average rose to 15,990 tonnes. Total despatches during the year at 171,000 tonnes were down by around 25 per cent. on the 1974 figure.

With the U.K. smelters producing *25,657 tonnes of primary* aluminium in December, total production for the year came to 308,328 tonnes compared with 294,314 tonnes in 1974.

The main brunt of the decline in demand has been taken by imports, which over the course of the year have been halved.

BR ends joint Tyne Metro agreement

BRITISH RAIL has decided to pull out of an agreement with the Tyne Wear Passenger Transport Executive to set up a joint company to operate the £150m. Metro tramrail system being built in Newcastle.

Instead BR is to support the three rail unions in a bid to have the Metro operated within the rail system, rather than by TPTE busmen. The unions fear that if busmen run the trams, which will operate on 26 miles of current BR track, about 600 rail jobs could be lost.

Mr. Anthony Crosland, the Environment Secretary, is now being asked to decide who will control the Metro.

Meanwhile the rail unions are preventing some of the tunnelling work for the system by refusing this to be carried out on railway property.

Clothing factory to close

By Our Newcastle Correspondent

JACKSON THE tailor is to close one of its four clothing factories in the North-east of England.

About 180 jobs will be lost—about 10 per cent. of the company's workforce—by the shutdown of the factory in Gateshead.

The company blames falling orders and pressure from cheap imports for the closure. It said that generous price reductions and special promotions had helped to a degree, but had not been enough to prevent the cuts.

Jackson said yesterday: "We cannot continue to support all our factories, even when there is an upturn in the economy. Unless the unions can come up with some positive alternatives, we shall close the smallest of our factories."

Eighty employees will be absorbed in another Gateshead factory. The company has asked for redundancy volunteers in both Gateshead plants.

About 60 workers at the Harris food factory at Ipswich will become redundant in a "*productivity rationalisation*" scheme. Talks about the scheme are going on between management and the Union of Shop, Distributive and Allied Workers.

Hull loses 276 jobs in repair yard closure

NEARLY 300 people at Hull are to lose their jobs because of the decline of the trawler fleet brought about by the high cost of fuel oil and the problems over extended fishing limits.

The Humber St. Andrews Ship Repair Company, part of the British United Trawlers group, announced yesterday that it is closing, and its 276 employees, mostly skilled men, will be made redundant.

In a statement after a Board meeting at the company's St. Andrew's Dock office at Hull, Mr. Christopher Mannall, director and manager of the BUT engineering division, said that continuing losses following the sharp decline in the number of fishing vessels operating from Hull had forced the close-down.

Attempts to diversify and obtain alternative work had been unsuccessful because of the recession.

The BUT trawler fleet would continue to be serviced by other private companies.

Skipper Tom Neilsen, secretary of Hull Trawler Officers Guild, said: "Poeple do not realise the full implication, first of the Icelandic cod war, and now of the Norwegian proposal to extend fishing limits.

"It is not only the fishermen who suffer, but thousands of people in the ancillary industries ashore. It is quite on the cards that more trawlers will be laid up."

Trawlers laid up

Over the past year, Hull has laid up or scrapped more than 40 trawlers. Another 20 at least could go because of the voluntary fishing restrictions offered to Iceland, and the future of some of the £2m. freezer trawlers could be in jeopardy. The chances of employment locally for the displaced ship repair workers are not good.

The Drypool shipbuilding group, which has yards at Hull, Beverley and Selby, is managed by a receiver, who has already been forced to make some men redundant, and there is no *follow-on* work when present orders are completed.

COST OF M NORWICH PUT AT £2

The cost of mo airport to a site from the city to c nuisance to reside over £21.5m., sa issued yesterday.

The investigation out following co residents of noise landing and taking

The report, wh before Norwich cit Norfolk county cou retention of the a present site becaus moving it is far t

IN BRIEF

'No rail cash c

High levels of in continue on the rail Marks, Parliamen Secretary at the Env partment said yeste chester after two the Midland Region. he did not visualis cutbacks in the rai

Spar price pe

Spar (U.K.) is to Government's select straint scheme by range of items on observe the terms o beyond that laid d on Wednesday. S brand items are to the official list.

Freighter relea

The 15,000 ton Gr Erinio arrested in January 12 for an a of charter contract b was released yesterd The vessel was seve by fire early in Dec being overhauled by and is regarded as Negotiations to sell h German firm for s pected to be complet

Less smoked

Sales of tobacco g U.K. in 1975 fell to (manufactured wei 238.5m. in 1974. Th cigarettes was reduce lbs from 225.6m.—w ber declining to 1 187.0bn.

Scapa radar

Six marine officers, sponsible for radar patrol work and pilo Flow, Orkney, where oil-related developme ing place and the Oc sortium are construc terminal at Flotta fo and Claymore oilfield

'Fait accompli' in Chrysler rescue

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

CHRYSLER'S local plant management, like the unions, had been confronted with a "fait accompli" by the Government's £162m. rescue programme, the all-party committee of MPs investigating the circumstances of the deal was told at the Ryton Avenger plant at Coventry yesterday.

It was the first time the committee had moved from the Commons to a car factory to hear evidence and they will be visiting all Chysler's main factories.

Communications

Pressed about who decision it was to concentrate car manufacture at Linwood, Scotland, and move Avenger production there from Ryton, it was Mr. Jim Caton, plant manager, who said it was a fait accompli. Local management thought it was negotiated between the Government and Chrysler Corporation in America. "Plant management had no knowledge of the decision."

Mr. Caton had admitted no formal communication links existed either between the U.K. Board and Ryton management or between the U.K. and American Boards.

Mr. Pat Duffy, chairman, and other members of the Trade and Industry Sub-Committee of the Commons Expenditure Committee concentrated on communications, and were told that Mr. John Riccardo, Chrysler Corporation chairman, had not visited the plant in recent years; Mr. Gwain Gillespie, "European affairs" vice-president, had visited once; and Mr. Gilbert Hunt, Chrysler U.K. chairman, three times.

Union representatives said lack of a communications structure raised many problems through waits for answers from either the U.K. or U.S. management executives. No-one in management at Ryton could answer questions on serious issues affecting the plant.

On industrial relations, the suggestion that the Ryton management showed an "American management approach" was denied by Mr. Mike Judge, Midlands industrial relations director. Major decisions were taken by teams of five or six, and no evidence had been seen of a "tough, American, crunching attitude." Mr. Duffy pressed Mr. Caton on whether he had discussed or even read the report in early December by shop stewards on Chrysler's U.K. operations, suggesting an alternative strategy for a rescue programme. The report was discussed in the Commons. Mr. Varley, Industry Secretary, met a stewards' deputation.

Mr. Caton admitted he had never heard of the report. It emerged that the stewards had not sent a copy to management.

Mr. Judge said he knew of the report, but some proposals, such as which models were to be made and where, "were not matters to be decided by local management. Discussions of details of the rescue programme were specifically forbidden, he understood, by the Government.

The committee was told first-phase redundancy at Chrysler U.K. plants already carried out involved dismissal of 5,900 of the 8,300—a third of the 25,000—due to go by the end of June.

At Ryton 1,463 of the 3,485 production workers and 115 of 430 office staff had already been made *redundant*.

At Stoke, making engines and transmissions, 350 of the 3,070 production workers and 80 of the 650 staff had gone.

Old equipment

The committee referred to the stewards' figures of age and purchases of equipment, and had them confirmed by management. They showed that over seven years £801,844 was *spent*—"an abysmally low figure," a committee member said—and that at Stoke only 52 machines were under eight years old, compared with more than 1,000 in the 14-23 year bracket. At Ryton, a more modern plant, 196 machines were under eight years old.

£10m. plan to improve three theatres

A £10m. plan to improve and modernise three Edinburgh theatres was presented by the Scottish Arts Council yesterday.

In effect the plan replaces the £20m. City Opera House project which was abandoned by the district council.

The Arts Council says both the intimate Lyceum Theatre and medium-sized King's Theatre should be improved.

A third theatre—either the Playhouse or the Empire—should be acquired and modernised to present all large-scale opera and ballet productions.

Judge cuts costs claim in Lord Brayley action

A HIGH COURT judge yesterday ordered that a £750,000 claim against Lord Brayley and three other former directors of Canning Town Glass Works should be reduced by more than £157,000.

Mr. Justice Slade struck out 15 pages of allegations in the action by Canning Town and two associated companies. He said that the claims included a large number that were alternative and inconsistent. Allegations were not particularised and were "inextricably mixed," he said.

The former directors had been left "having no idea which of them was charged with what, and why," the judge added.

The companies allege that Lord Brayley and the other defendants misappropriated the companies' money.

Lord Brayley came to court seeking "fair play" in the action. He asked the judge to strike out parts of the claim and order disclosure of certain documents that he needed to prepare his defence.

But Mr. Justice Slade, giving a reserved judgment, refused to order immediate disclosure of three documents Lord Brayley had said were vital to his defence. They were instructions to accountants to investigate the books of Canning Town, Towmaster Transport Co. and Dale Brown and Co., and two reports by the accountants.

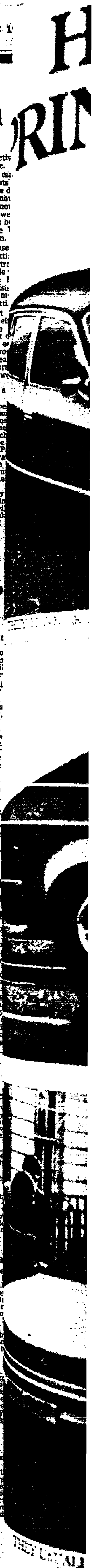
The judge held that it could not be said that those documents were immediately necessary to enable Lord Brayley to put in a defence that went beyond a plain denial of liability. Other documents on which the accountants' reports had been based were already available to him.

The judge ordered the companies to pay three-quarters of Lord Brayley's costs of the application.

He said that Lord Brayley had had to come to court before the companies abandoned a conspiracy allegation against him and the other ex-directors. That charge had not been withdrawn until the third day of the hearing.

Both sides were given leave to appeal.

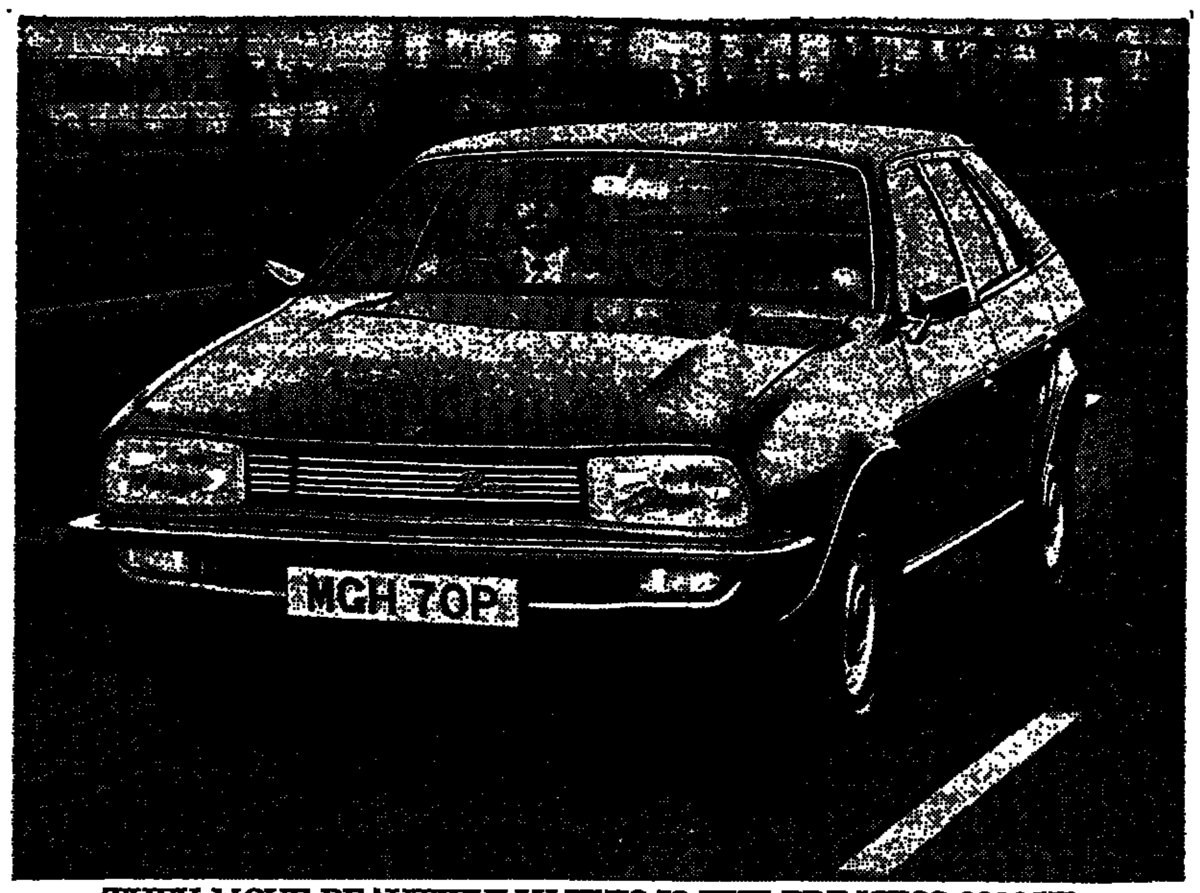
Lord Brayley's co-defendants are Mr. Frederick Harry Crowsley, Mr. Laurence James Messenger, and Mr. Mervyn Hardinge Douglas Snape, sued as executor of Mr. John Booker Wilkinson.



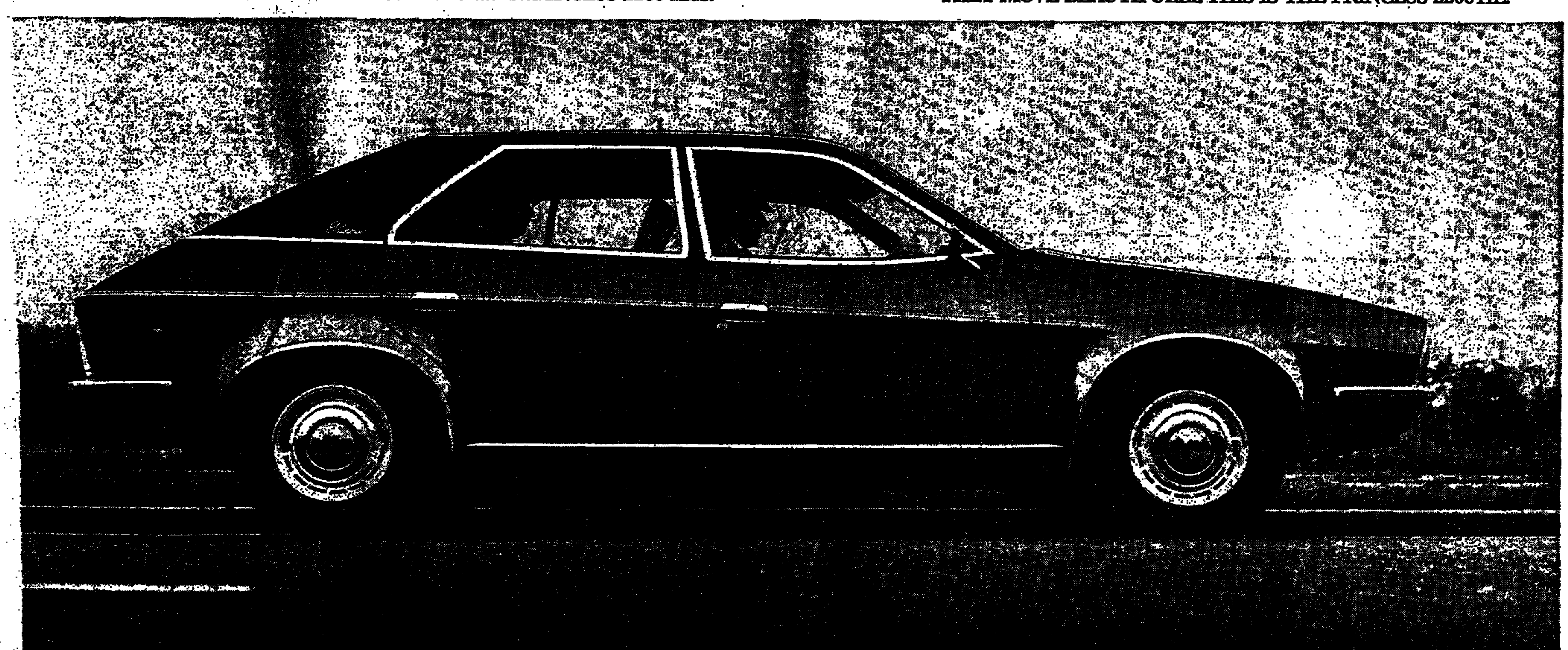
هكذا ص الأصل

HOW TO RECOGNISE A PRINCESS IF YOU MEET ONE IN THE STREET.

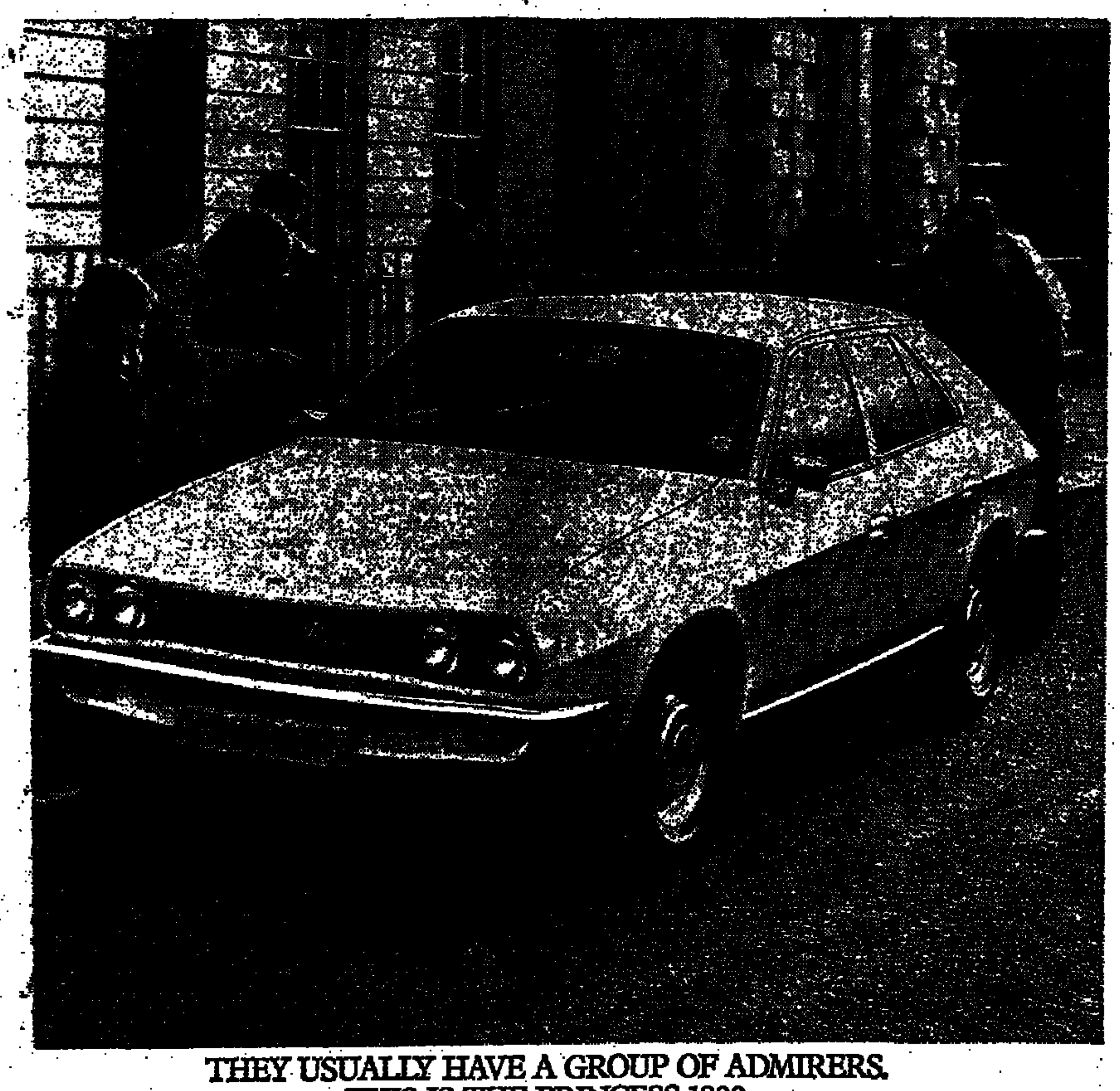
THEY HAVE GREAT STYLE. THIS IS THE PRINCESS 2200 HLS.



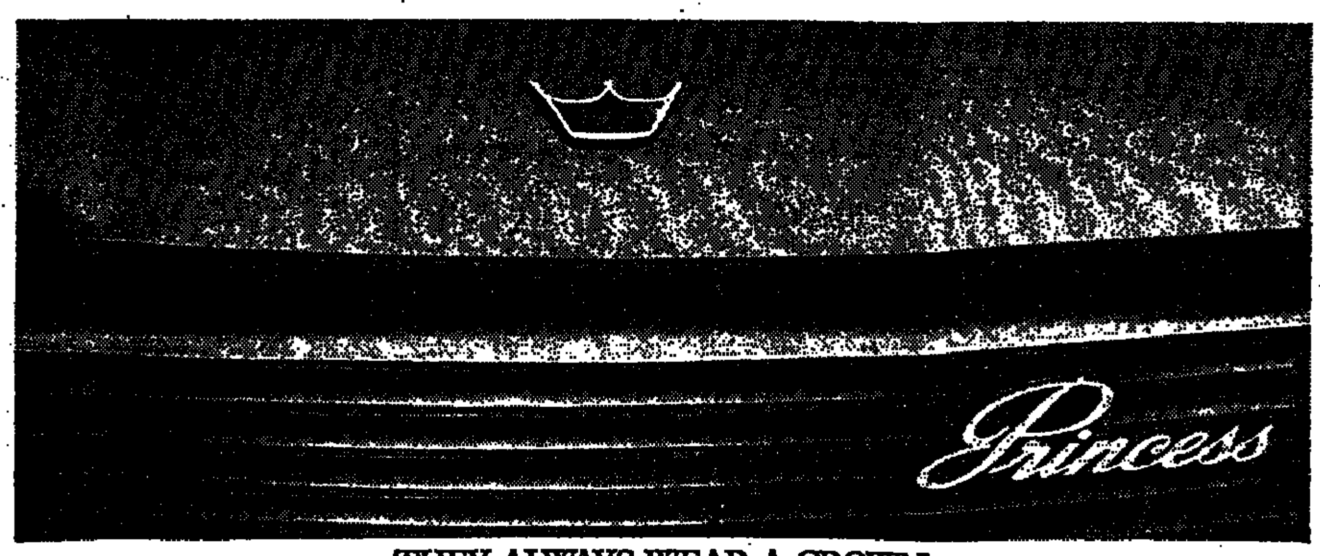
THEY MOVE BEAUTIFULLY. THIS IS THE PRINCESS 2200 HL.



THEY OFTEN HAVE A CHAUFFEUR. THIS IS THE PRINCESS 1800 HL.



THEY USUALLY HAVE A GROUP OF ADMIRERS.
THIS IS THE PRINCESS 1800.



THEY ALWAYS WEAR A CROWN.

Britain's four new Princesses have already won a firm place in the hearts of the people.

They have an incomparable style. And that 'wedge' shape makes these four of the safest, quietest and most economical cars on the road today.

You can expect a good 27 mpg in the Princess 1800. And that's an 'Autocar' overall consumption figure.

They're just as generous with the space they give five adults and their luggage, too.

And for extras that aren't extra, what can match the Princess 2200HLS with its radio, clock, tinted windows, inertia reel seat belts, power steering, reading lights, vinyl roof, side window demisters, locking petrol cap, special cloth trim...

As for the ride, roadholding and performance of these new Princesses, all have come in for their fair share of acclaim.

Wherever you go with a Princess, you can be sure of a warm welcome.

Princess

From Leyland Cars. With Supercover.

Princess 1800 £2,350.53, 1800HL £2,520.18, 2200HL £2,799.81, 2200HLS £3,293.55. Prices include car tax and VAT, delivery and number plates extra.

NORTH SEA GAS REVIEW BY RAY DAFTER

Stepping on the gas at Frigg

IF ALL goes well, British Gas should start receiving copious supplies of natural gas from the Anglo-Norwegian Frigg Field in October, 1977, a more than welcome development for the Corporation which will be able to renew its drive for more industrial and commercial energy business.

At the moment there is something of a hiatus in this marketing effort because, basically, British Gas has as many big customers as it can handle with the present offshore supply positiin.

The emergence of natural gas has transformed the supply profile of the gas industry, which used to be dominated by the domestic sector. In the past decade the industrial use of gas has increased more than six-fold to a point where almost 6bn. of the 13bn. therms of gas consumed last year went into factories. Of these industrial sales, more than half went to special contract customers — buyers using at least 100,000 therms (the equivalent of around 100 domestic heating systems).

With two new major supply sources—the Brent and Frigg fields—due to start producing in the next couple of years, British Gas can now start making tentative approaches to potential customers. Last year the Corporation used North Sea gas at an average rate of 4bn. cubic feet a day, bang on target for the Government forecasts made in 1967. With Frigg and Shell/Esso's Brent on stream, it should be supplying around 8bn. cubic feet a day by the early 1980s.

Timely

In volume terms, Frigg will be by far the more important gas supplier: its output should quickly build up to an average of 1.4bn. to 1.5bn. cubic feet a day, perhaps rising to as much as 1.8bn. cfd at times of peak demand. Thus the field's start-up will be timely if it coincides with growth in Britain's industrial output. By October, 1977, that economic recovery should be well under way, given the emerging signs of upturn.

On the other hand, British Gas must regret the fact that Frigg supplies will not be available for it to take advantage of the start of this economic growth, perhaps late this year. For that was certainly the intention.

Because of one of the most spectacular mishaps in the short history of North Sea development—the sinking of a platform some 2½ miles off station—Frigg is well over a year behind schedule. The delay is a sensitive area in the discussions between the developing oil companies (none of which are British-based), the British and Norwegian Governments, and British Gas.

The field, with reserves estimated at around 8,000bn. cubic feet, straddles the U.K./Norwegian boundary about 120 miles east of the Shetlands. On the U.K. side the offshore consortium comprises Total Oil Marine—the operator—with a 33.33 per cent. stake, Elf Oil (44.45 per cent.) and Aquitaine Oil (22.22 per cent.). The shareholding in the Norwegian sector is even more finely tuned, running to three decimal places: Norsk Hydro (32.87 per cent.), Elf—the operator—with 27.613 per cent., Total (20.71 per cent.), Aquitaine Oil (13.807 per cent.) and Statoil (5 per cent.).

The exact shareholding of each of these companies in the field as a whole is the subject of a study currently being carried out by DeGolyer and MacNaughton, the oil consultants. It is felt within the industry, however, that the reserves are pretty evenly split between the U.K. and Norwegian sectors, with perhaps a 5 per cent. variation either way. It is more than likely that the U.K. sector is slightly smaller, accounting for between 45 and 50 per cent. of the field's total reserves.

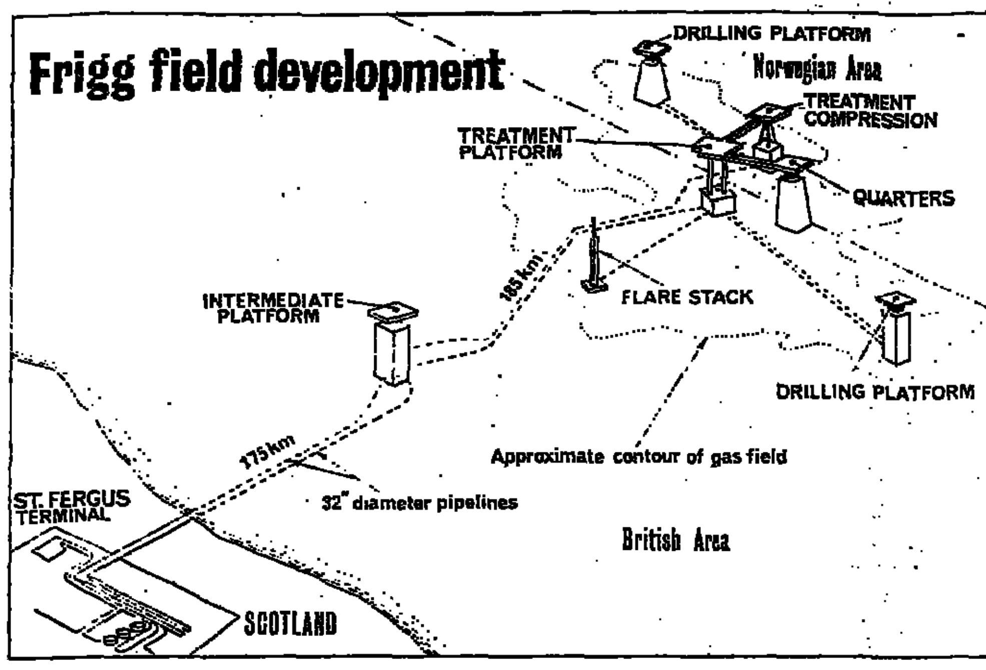
In some ways Britain is fortunate in being able to obtain all the recoverable reserves from Frigg, one of the biggest gas fields in the world. While the U.K. share would have been sold to British Gas as a matter of right, it was always possible that the Norwegians would have used their gas themselves or at least have allowed it to be sold to the Continent. This was ruled out for two basic reasons, however. For a start, the Norwegians have no real need for large quantities of gas as an energy source (they have plenty of hydro-power to generate electricity and oil supplies to feed power plans and chemical complaxes); and, second, the Norwegian sub-sea trench provides a formidable barrier for any pipeline operation to the Norwegian mainland.

But Britain is having to pay a fairly high price for this Norwegian gas, certainly more than for the gas from the U.K. sector. The "open market" conditions of the negotiations meant that British Gas agreed a price estimated at around 7.5p per therm last year, a far cry from the 2p to 3p per therm being paid for gas from fields in the southern U.K. sector of the North Sea, even allowing for the most recent round of price adjustments.

(Pin-pointing the exact price of offshore gas is always a hazardous business as neither British Gas nor its suppliers will give even as much as a hint about the level of individual agreements.)

In any case, it is likely that the price for gas from the Norwegian Frigg Field will be even higher when supplies start arriving next year, as the contract incorporates an escalation element based on cost escalation as a whole.

Just what effect this will have on industrial and domestic tariffs is still unclear. As much of the capital cost of switching to natural gas has already been met, it is unlikely that there will be a correspondingly high jump in tariff rates. It was perhaps fortunate—from the consumers' point of view—that this massive investment programme was beng carried out at the same time as British Gas was paying rock bottom prices for offshore supplies.



Hesitant

Indeed, Sir Arthur Hetherington, chairman of British Gas, and other senior executives told a sub-committee of the Commons Select Committee on Nationalised Industries this week that the Corporation had so arranged its financial affairs that the higher price from Frigg would have only a minimal effect on the price to customers. Furthermore, it was hoped that future gas price increases would remain below the general rise in the retail price index, even allowing for a build-up of capital reserves to some £500m. by the early 1980s.

The cost of developing the Frigg field and transporting the gas to the U.K. is now put at £1.3bn. against the rough estimate of around £800m. made about two years ago. Several factors have contributed to these cost increases, including, of course, inflation, which has been exaggerated by the delays.

Around £20m. had to be written off when the first production platform sank in the wrong place back in October, 1974. This platform—DP One—has been salvaged but the Elf-Aquitaine group has not yet decided on its future role. In the meantime the abandoned steel platform has been replaced by a concrete structure which had originally been intended to act as the intermediate platform on the transmission system between the field and the shore terminal at St. Fergus, Scotland.

This ingenuity and flexibility has been won at a price, however. For another £40m. is being spent on a new intermediate platform.

On current plans, the first treatment platform to link with the drilling platform is due to be installed in May or June this year, about the same time as the replacement of the intermediate structure. If the first 32-inch pipeline is in position in time, this should enable the operators to start extracting gas from the U.K. sector in October next year.

The second drilling platform, on the Norwegian side, is also due to be installed this summer and should be connected to the second treatment platform in the summer of 1977. All being well, production through this second system, situated in the Norwegian sector, should start in spring, 1978.

Although the two systems can work independently it is likely that they will be linked once full production gets under way in 1978. In any case, as the natural pressure declines in the 1980s compression units on the second treatment platform will be brought into operation to maintain pressure through the whole of the production network.

Although pipelaying operations got off to a hesitant start, Total Oil Marine—operators for the transportation system—was able to make up lost time and get ahead of schedule during last year. So far over 420 kilometres of the dual pipelines have been laid, leaving just 60 kilometres to be completed on the first line, from the U.K. sector, and around 240 kilometres on the second.

All told, seven barges will be involved in pipe-laying, trenching and other pipeline operations this year, while the offshore workforce on the Frigg development operation as a whole could reach a peak of 3,000 this summer.

There are still plenty of obstacles to overcome but the companies involved seem confident that the revised schedule can be met—a message emphasised to Government officials, British Gas representatives, bankers and journalists who braved a Norwegian blizzard recently to watch the christening of one of the platforms. Frigg, named after a mythological goddess worshipped for love, may be forgiven her initial tantrum if she fulfills her other promise of old: abundant fertility.

THE GILT-EDGED MARKET. 1976

Stockjobber Wedd Durlacher Mordaunt's annual reference book, The Gilt-edged Market, 1976, is now available in a limited edition at £5.

Apart from its comprehensive coverage of stocks officially listed on The Stock Exchange, account has also been taken of the reorganisation of local government and water authorities by indicating new authorities in which their securities have vested. Useful notes on taxation, including Capital Transfer Tax, are also included.

BANK RETURN

—	Wednesday Feb. 11 1976	Inc. (+) or dec. (−) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	
Public Deposits	15,306,679	− 1,165,013
Special Deposits	977,650,000	− 325,880,000
Bankers	289,250,234	− 6,600,561
Reserves & Other A/cs	322,015,511	− 60,924,215
	1,621,664,474	+ 262,719,354
ASSETS		
Govt. Securities	1,110,121,655	+ 169,350,000
Advances & Other A/cs	405,400,425	+ 112,568,153
Premises, Equip't & other Secs	94,053,134	+ 2,747,307
Notes	15,778,761	− 932,359
Coin	280,621	− 7,641
	1,621,664,474	+ 262,719,354
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	8,000,000,000	+ 25,000,000
In Circulation	6,981,221,239	+ 25,935,359
In Bank'g Dept.	18,778,761	− 935,359
ASSETS		
Govt. Debt	11,015,100	
Other Govt. Secs.	5,218 [illegible]	− 36,971,210
Other Securities	2,754,[illegible]	− 11,971,270
	8,000,000,000	+ 25,000,000

BOND DRAWING

REPUBLIC OF AUSTRIA
6¾% Bonds 1982

S. G. Warburg & Co. Ltd., announce that the redemption instalment of U.S. $1,850,000 due 15th March, 1976 has been met by purchases in the market to the nominal value of U.S. $731,000 and by a drawing of Bonds to the nominal value of U.S. $1,119,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:-

No's:-	18 to 20	27 to 29	101 to 200	207 to 210
	213 to 216	227 to 245	248 : 249	254 to 307
	314 to 409	411 to 414	418	425 to 449
	454 to 456	458 to 478	480 to 490	494 to 500
	536 to 541	543	561 to 605	608 to 616
	618 to 766	768 to 778	781 to 827	830 to 835
	20713 to 20826	20828 to 20836	20844 to 20853	20868 to 20922
	20936 to 20945	20951 to 20992	22170 to 22176	22178 to 22185
	22187	22192 to 22195	22205 to 22246	22251 : 22252
	22270	22288 to 22291	22295 to 22345	22347 to 22367
	22392 : 22393	22398 to 22500		

On 15th March, 1976 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof together with accrued interest to said date at the office of:-

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB.

or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds for redemption on and after 15th March, 1976. Bonds so presented for payment must have attached all coupons maturing subsequent to 15th March, 1976.

The following Bonds previously drawn for redemption on dates given below, have not as yet been presented for payment.

15th March, 1971

Nos: 18606:

15th March, 1972

Nos: 8907:

15th March, 1973

Nos: 21227:

15th March 1974

Nos: 13004:

15th March, 1975

Nos: 9753 : 9760 to 9762 : 9764 : 9782 : 9783 : 9879 : 9881 : 9889 : 9890 : 9892 : 9896 : 9912 to 9914 : 9917 : 9951 : 9952 : 9997 : 9998 : 10075 : 10076 : 10142 : 10143 : 10273 : 10274 : 10365 to 10367 : 10391 to 10399 : 10570 : 10604 : 10605 : 10626 : 10775 to 10778 10855 : 10856 : 10882 to 10885 : 10937 : 10967 : 10968 : 10974 to 10976 : 11130 to 11133 11135 to 11138 : 11140 : 11141.

30 Gresham Street, London, EC2P 2EB. 13th February, 1976

LABOUR NEWS

Unions clash with TUC over worker-directors

BY JOHN ELLIOTT, LABOUR EDITOR

A FREH row has broken out in the TUC over worker-directors, with two of the country's six biggest unions threatening to oppose TUC policy in separate evidence to the Government's Bullock Inquiry on industrial democracy.

The General and Municipal Workers' Union and the Electrical and Plumbing Trades Union have both warned the TUC that they will take this unilateral step and oppose worker-directors if the TUC does not take their views into account.

At the same time the Amalgamated Union of Engineering Workers is also showing no signs of backing off its traditional opposition to worker-directors in the private sector and is likely therefore to addits voice to the other two within a few months.

Clear conflict

Basically the row centres on the views of unions such as the GMWU and the EPTU that there are alternative, and possibly better, means of spreading industrial democracy than through mandatory worker-directors. Broadly, these are based on extending traditional collective bargaining from its present area of wages and employment conditions to subjects governing how a company is run. This, so the theory goes, would not involve unions comprising their interests. Nor would it blur the conflicting interests of capital and labour.

These developments have upset TUC plans to limit the trade union evidence to the Bullock Inquiry on industrial democracy in the private sector to its own policy document, which comes down firmly in favour of creating a two-tier company structure with half the seats on a top supervisory Board filled by trade union-elected worker representatives.

The TUC has been forced in the past to accept that there might be other ways of spreading industrial democracy, but it achieved a significant coup when it negotiated with the Government that the terms of reference for the Bullock Inquiry should well solely on its 50-50 worker-director scheme.

The deadline for written evidence to be submitted to the Bullock Inquiry was originally March 1, but it now seems that, partly because of the split in the TUC, this will be extended for about a month.

In addition to influencing the Bullock Inquiry, the split among TUC unions will show up in separate evidence by individual unions to internal Whitehall inquiries on industrial democracy in nationalised industries and public serives.

The immediate problem for the TUC centres on t[…] for the Bullock Inqui[…] among the unions s[…] meeting on Wednes[…] TUC Economic Comm[…] result of this, indivi[…] are to be given an[…] to send their views […]

Law change ca[…]

The GMWU ha[…] evidence for the Bul[…] opposing mandato[…] director Boards, but […] general change in […] which would ma[…] directors one indu[…] cracy option. Ther[…] be a legal requ[…] employers to ne[…] unions on an increa[…] of strategic issues s[…] ments, corporate pl[…] gers, closures […] redundancies. But i[…] for this would not […]

The EPTU take[…] similar line and, wi[…] and another like-[…] union, the Elect[…] Engineers' Associat[…] part in influencin[…] Plowden Commit[…] which opposed wo[…] for the publicly-own[…] supply industry. […] such as the AUEW. […] ing worker-direct[…] private sector, m[…] against them in ind[…] public ownership.

Vauxhall workers win threshold rise

BY OUR LABOUR STAFF

NEARLY 21,000 Vauxhall Motors workers have received pay rises of up to £5 in the final stage of an agreement negotiated last April. The latest rises include £2.20 as part of a cost of living threshold clause which formed part of the agreement.

Under the threshold clause, Vauxhall's manual workers are entitled to increases up to a maximum of 4 per cent. above a 16 per cent. rise in the Retail Price Index since last April. This has triggered in full, giving increases of £2.20 on top of rises of between £2.20 to £2.80 from the third stage of the long-term agreement which expires next month. The payments are all backdated to January 5.

Including the first two stages of the agreement, last April and September, Vauxhall workers have received increases totalling between £9.80 and £11 a week, taking top skilled rates to £64.40 and the production rate to 58.80. Between £7 and £7.60 of these rises have been since the Government's £6 pay limit was introduced last August but were allowed because the agreement was concluded before the policy came in.

But the policy is likely to be invoked should the Vauxhall unions lodge a fresh pay demand when the present deal expires at the end of next month.

● Nearly 7,000 shop floor workers employed by Perkins Engines, of Peterborough, yesterday lodged a claim for a £6 a week pay rise, the maximum allowed under the Government's pay policy. They want the increase in April and the management have promised a reply next month.

£6 stri[…] at Ran[…] Hoffm[…]

By Our Labour St[…]

MORE THAN 2,00[…] the Ransome Hoff[…] roller-bearing facto[…] Notts, are on stri[…] of a £6 pay claim, […] ing from the D[…] Employment that […] contravene the pay[…]

The Departmen[…] officials earlier this […] £6 rise already […] workers last July […] new increase could […] next July.

But a local o[…] Amalgamated Unio[…] ing Workers, the n[…] volved at the fac[…] yesterday that the […] only been for six […] was due to be r[…] the beginning of […]

This meant he […] union claim for […] until January 1977 […] by the company.

The AUEW […] claimed that the […] Department of En[…] the rises could r[…] was influenced by […] the company had […] £4.9m. Governmer[…]

A company sp[…] yesterday that […] could be negotia[…] workers unless th[…] of Employment ag[…] would be allowed […] policy.

The workers, w[…] on strike since M[…] meet to-morrow t[…] situation. Talks […] Advisory, Concilia[…] tration Service […] failed to produce […]

New step to speed peace in engineering strikes

BY OUR LABOUR STAFF

A FAST-MOVING procedure for the settlement of strikes and disputes in the engineering industry is expected to be introduced with a month, after five years in which the industry has been without one.

Unions and employers are due to sign an agreement on March 1, after its approval by leaders of 19 engineering unions in York yesterday.

The Confederation of Shipbuilding and Engineering Unions, whose national negotiations affect nearly 3m. workers, endorsed a draft document which has been sent to unions and members of the Engineering Employers' Federation.

From next month disputes should be processed in a few weeks rather than in the nine or ten months it took under the old agreement before that was abandoned.

Lack of a national procedure did not, however, lead to any rash of disputes as had been feared, and yesterday Mr. Jack Service, general secretary of the Confederation, said he hoped members would "continue to exercise the same degree of responsibility."

Parallel talks are continuing on a proposal for a national formum of unions and employers so that regular contact can be maintained at times when the two sides are not actually in negotiation.

The Confederation yesterday again postponed consideration of a new pa yclaim to replace the national agreement which expires in May. It will probably wait to see what follows the present £6 pay limit in August.

Training plea by Wales TUC

TRAINING opportunities for school leavers entering industry in Wales came under fire yesterday from Wales TUC.

It said in a paper that 48.3 per cent. of boys entering the labour market in Wales in 1974 and 53 per cent. of girls went into employment without training. This compared with a national average of 31.6 per cent. for boys and 34 per cent. for girls.

The paper urged the setting up of a research programme into the state of industrial training in Wales.

The Manpower Services Commission should also carry out an immediate survey of the training needs of key sectors of the Welsh economy to the end of the decade, and training levels should be brought up to the U.K. average by 1980, said the paper.

Talks to steel ind[…] disputes

By Our Labour S[…]

THE British Stee[…] and trade union l[…] day discussed po[…] reducing unofficial […] BSC claims cost […] year. The union a[…] to try to "mi[…] official stoppages a[…] framework agreem[…] ing labour costs w[…] cluded with BSC la[…]

Yesterday was t[…] ing between the tw[…] cuss the working […] ment. According […] other main subjec[…] was the formati[…] management/union[…] are to help in its im[…] in particular in the […] manning levels an[…] unofficial strikes.

Nalgo plans more strikes at British Gas

BY OUR LABOUR STAFF

THE NATIONAL and Local Government Officers' Association is planning a series of further token strikes by white collar staff working for British Gas to drive home its claim for a restructuring agreement. But yesterday, only 378 people were out in the East Midlands after a token stoppage by nearly 7,000 people on Wednesday.

To-day, 1,800 white collar workers in Wales have been told to go on strike, to be followed by 3,000 in Scotland and more than 4,000 in the West Midlands by next Wednesday.

Wednesday's stoppages did not affect supplies or emergency services, and British Gas hopes that the further strikes will also have little effect.

British Gas and Nalgo officials meet on Tuesday within the framework of the industry's National Joint Negotiating Council.

FIRE DEST[…] TANZANIA[…]

DAR ES SALA[…]

Fire yesterday d[…] bales of sisal w[…] zanian shillings, w[…] to be shipped to Pa[…] and Europe, a S[…] spokesman said.

The fire, which […] authority's godown […] skirts of Dar es […] started by an elec[…] a fork lift truck.

The authority […] suspended all sisal […] country following t[…] Reuter

Move for new control of 'lu[…]

BY OUR LABOUR STAFF

THE Government has set up a Construction Industry Manpower Board, as promised last July, with six members from both sides of the industry under an independent chairman.

This was announced in Parliament by Mr. John Silkin, Minister for Planning and Local Government yesterday.

The Board, designed to go some way to meeting long-standing TUC demands for greater control of "lump" working and eventual decasualisation of the construction labour force, will be chaired by Sir William Harris, a past president of the Institution of Civil Engineers and a former senior civil servant.

Employers are represented by three company directors, Mr. R. Cowan of George Wimpey, Mr. P. F. Jerrard of Wembley Roofing and Ceilings and Mr. K. McAlpine of Sir Robert McAlpine.

Union appointees are Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union, Mr. Les Kemp, a national secretary of the Transport and General Workers Union, and Mr. George Smith, general secretary of the Union of Construction, Allied Trades and Technicians.

The Board is advisory and will monitor the tougher anti-"l[…] measures already […] as well as consi[…] measures that the […] been seeking, such […] registration of e[…] isolate "phoney" […] tors and make it h[…] to do business.

Officially, the […] look at the ext[…] contracting by […] employed, the "de[…] statutory or other […] increase the stabi[…] ployment, and in p[…] desirability of est[…] statutory authorit[…] ment measures […] purpose."

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

Composite blade life trebled

A MAJOR advance in rotary vane compressor technology has been achieved by Hick Hargreaves and Company of Bolton, which has extended the life of compressor blades operating at temperatures as high as 180 degrees C to about 10,000 hours—a 300 per cent. improvement over *standard phenolic blades* working under identical conditions.

According to the company, the savings have been made by the introduction of compressor blades made from asbestos-reinforced Xylok 210 composites. The resin (Xylok 210) is one of a series of high-performance aralkyl-phenol resins manufactured by Albright and Wilson.

Evaluation tests and field trials by Hick Hargreaves' design engineers have shown that the relatively high initial cost of the Xylok 210 blades, compared with those based on asbestos-*reinforced phenolics, is more* than justified by their "significantly superior performance characteristics and reduced maintenance costs."

Excellent resistance to the gases being compressed, including ammonia, air and Freon, as well as to compressor oils, is shown by these new blades which also demonstrate good dimensional stability and low wear.

The breakthrough has been achieved through the close co-operation of the resin manufacturer, the composite producer and the compressor engineers.

The asbestos fabric reinforced Xylok 210 composites, in the form of boards or as machined blades, are available from H. Clarke and Company, Manchester under the trade name Pirtoid MP 475.

Albright and Wilson, 1 Knightsbridge Green, London SW1X 7QD.

● DATA PROCESSING

Offer of major machine

ONE OF the most powerful second-hand computers to come on to the European market is now being offered by Computer Resale Brokers International.

It is a 2 Megabyte IBM 370/158 central processor which was installed just over a year ago at a cost of £1,200,000. The resale price will show a saving in excess of £250,000 which should make it a very attractive proposition to any organisation looking to enhance or expand its computing activities.

As is the case with all IBM machines sold on the used market, the equipment is eligible for continuing IBM maintenance. Leasing can be arranged by CBB which operates from Queen's House, Holly Road, Twickenham, Middx. TW 14EH. 01-891 0731.

Tests the data links

RELATIVELY inexpensive at £1,485 is Data Tek 9600, a complete test instrument for factory or field maintenance use in data communications.

Offered by Borer Data Systems, the equipment is able to simulate, stimulate or monitor modems, terminals and lines up to 9,600 bits per second. It comprises data generators, data analysers, bit and block error testers, printer/display tests and interfaces for VD24 and telegraph applications.

As well as generating standard test messages in ASCII, BCD, Baudot and EBCDIC, individual toggle switches allow the generation or recognition of any code, simultaneously applying signal distortion up to 44 per cent. if required. Character trap facilities, together with the ability to view the post-trap character, allow easy monitoring of isolated or random errors. More from 22, Bell Street, Henley on Thames, Oxfordshire RG9 2BG (04912 3675).

Analogue serial memory

IN cases where it is necessary to sample a small segment of analogue signal and then either delay it and/or examine or process it at a different rate, the SAM-128LR serial analogue memory from Reticon should prove useful.

The device consists of a read-in register, 128 capacitive storage elements and a read-out register all fabricated in a single monolithic integrated circuit.

Values sampled by the input register are placed in consecutive capacitive stores, the sample rate being set by an external clock which can range in frequency from 10 Hz up to 1 MHz.

Once held in the store, the signal can be extracted by clocking the output register at any frequency in the above five decade range. Thus, the input signal segment can be compressed or extracted with respect to time and the read-out time can lag the read-in time by up to five seconds at 25 deg.C and *10 Hz clock rate, with under* one per cent. degradation in signal level. With cooling the retention period is doubled for each 7 degrees C reduction. More from the distributors, Rapid Recall, 9, Betterton Street, London WC2H 9BS (01-379 6741).

Double the power at bureau

ONLY five months after completing the U.K.'s first installation of the latest Datagraphix Model 4550 COM recorder with integral mini-computing capacity, Financial Data Services has ordered a second, similar unit. With ancillaries this represents an additional investment of £70,000 by FDS.

New levels of demand have been generated by the 4550's capacity to accept any computer print tape for immediate COM output on either 16mm. film or 105mm. microfiche. This has allowed FDS to offer clients instant implementation on new systems and immediate revision of established applications.

The programming effort or tape re-formatting necessary on less "intelligent" recorders is avoided, simply by entering tape parameters on the 4550's electronic data terminal. The 4550's mini-computer then takes over to ensure that information format, titling and indexing are automatically carried out as required.

Datagraphix, Fairacres Estate, Dedworth Road, Windsor, Berks.

● CONSTRUCTION

Firm anchor in slate

TENSIONED anchor bars up to 27 metres long have been driven into the slate mountainside at Dinorwic to secure the massive 35.5m wide by 18m high concrete-faced portal of a tunnel which will lead to the power station transformer halls and generator halls within *the* mountain. The anchors are secured by a high strength fast-curing Lokset resin anchorage developed by Chemical Building Products.

The CEGB Dinorwic pumped-storage power station, which on completion will be Europe's largest, is being built underground near Llanberis in North Wales. Over a million cubic metres of rock will be removed to create the underground caverns, tunnels and shafts.

*Lokset L—a fast-curing, two-*part resin system designed to reach high early compressive strengths — enabled the sub-contractors, Ground Anchors, to complete the portal stabilisation in a fraction of the time that would have been necessary had conventional cement grouted anchors been used.

Chemical Building Products 0442 2101.

Pneumatic stretch

BELIEVED TO be the only one of its type made in the U.K., a clamping and stretching system for attaching screen printing mesh to frames has been introduced by H. C. Kippax and Sons, Upper Bankfield Mills, Almondbury Road, Huddersfield HD5 8HF (0484 26789).

All standard screen sizes can be covered (or a system can be built to printer's specification). The system consists of a series of toggle clamps fitted with 8-inch jaws, each mounted on an air cylinder, and arranged at intervals around the screen frame. The mesh is gripped by the manually operated toggle clamps with a 4-inch overlap.

Operated simultaneously from a central pneumatic unit via a common supply pipe, air pressure to the cylinders is gradually increased until the screen is correctly tensioned in place on the frame. It can then be tacked or glued to the frame.

The toggles are supplied by HMC-Brauer (member of the Cope Allman International Group), Dawson Road, Mount Farm Estate, Bletchley, Milton Keynes, Bucks. (0908 74022).

● POLLUTION

Dairy sludge problem solver

DUE TO the slimy nature of dairy and creamery effluent and its lack of fibrous matter, it has not been until recently a practical proposition for mechanical dewatering by centrifuge.

Pennwalt has proved, through field trials in the U.K. and most major European countries and in Russia, that one of its centrifuges can handle these effluents. Capacities in the range 2-4 cubic metres per hour have been obtained with a cake containing 14-18 per cent. solids and recovery of suspended solids is within the range 90-98 per cent. by using a polyelectrolyte flocculating agent.

The effluent from most dairies and creameries is high in biological oxygen demand and cannot flow into watercourses without treatment. Most creameries are situated in country areas and since local sewage works are usually too small to accept the extra biological load, many creameries must construct and operate their own effluent plant. Special designs have been evolved to handle these particular creamery and dairy sludges.

The crude dairy effluent collects in aerated balancing tanks where it is dosed with lime to balance the pH. It then passes to a high-rate biological filter and in certain instances to a second-stage filter. In some plants an activated sludge system is also in use.

Whichever system there is, two separate sludge streams will be the norm and these may be mixed and possibly consolidated in a separate thickening tank before dewatering. The resulting wet and sticky sludge has always proved to be a discharging problem, but after centrifuging the volume is greatly reduced and the cake can sometimes be used as land fill or a land conditioning agent.

Pennwalt, Doman Road, Camberley, Surrey. Camberley 63383.

● COMPONENTS

Vacuum at low cost

BASIC vacuum pumping benches allowing the customer a good choice of system arrangement at a price to meet most budgets have been put on the market by Vacuum Generators, Menzies Road, Hastings, Sussex TN34 1YQ (0424 431581).

Design features include all-stainless-steel bakable liquid nitrogen trap with integral system isolation valve, fully valved roughing/backing lines, protection against power or water failure and a fully mobile bench with integral instrumentation console.

These "PB" pump benches are available with two, four, or six inch diffusion pumps giving speeds at the combination cold trap connection port of 32, 200, and 415 litres/sec. respectively.

Simple flanged adaptors can be provided to achieve compatibility with existing vacuum work chambers or base plates.

Coupling for non-ferrous piping

CLAIMED TO have advantages *over conventional* flange couplings, a heavy duty coupling for joining copper, aluminium-brass and cupro-nickel tube has been developed for standard pipe sizes between 42 and 267 mm od.

It can be used in place of necked, composite or plain flanges, and has applications where space is confined or access is difficult.

A gun metal collar is soldered on the end of each pipe, an O-ring seal is placed between the collars, and a carbon steel clamp bolted in place over them, using only two bolts (three for 159 and 267 mm pipe).

Alignment of the pipes is simple since there are no bolt holes to align. The collars are recessed to receive the tube ends, maintaining the internal diameter through the joint.

Up to 159 mm pipe, the coupling is said to be suitable for maximum steam and water pressures up to 355 psi. The larger sizes have the same pressure rating for water and a maximum of 178 psi for steam. The coupling is approved by Lloyds Register of Shipping, for use within these limits.

For use up to a maximum working temperature of 90 deg. C., Mitrile rubber O-rings are supplied, while Teflon is used for temperatures up to 220 deg. C. The coupling is not suitable for tubes handling corrosive chemicals or petroleum gases, or for starting air tubes more than 50 mm diameter.

Made by Johnson Metall AB of Sweden, the coupling is marketed in the U.K. by Unibrass, Holderness Road, Hull, HU9 1EE (0482 29935).

Interface solutions

THE 4040 central processing integrated circuit from Intel can be interfaced on a programmable basis with keyboards and displays at the same time using a newly announced i.c., the 4269.

Connectable via this interface circuit are encoded and non-encoded keyboards, switches and push buttons, together with alpha-numeric, numeric, or on/off displays.

Advantages of using the 4269 include an increase in reliability and a decrease in overall system cost on account of the lower component numbers.

Furthermore, many of the routine operations in handling keyboards and displays are transferred from the central processing unit to the interface, leaving more processing time available for other system tasks and so increasing throughput. The interface circuit is available in the U.K. from Intel Corporation (U.K.), 4, Between Towns Road, Cowley, Oxford OX4 3NB. (0865 771431.)

● INSTRUMENTS

Timer runs for days

PLUG-IN SOLID state timers with a selection of time ranges up to 100 hours are offered by Automation Techniques and Systems of Brierley Hill, West Midlands (03844 79234).

Operate delay, interval, interval-pulse, delayed drop-out and recycling operations are all available in the UT-H series of timers which a repeat accuracy of 1 per cent., a reset time of 20 milliseconds and a minimum time setting of 2 per cent. of full scale time.

All the units in the range function on AC supplies between 12 and 240V and from DC between 12 and 220V, with independent changeover contacts rated at 240V AC, 5 amps resistive.

● HYDRAULICS

Tight fit ensured

TO ensure gas-tight mating faces in bolted parts of machines and pressure vessels, or to prevent bolt fatigue due to cyclic loading, the bolt is often pre-stressed and the nut tightened.

The bolt can be heated and allowed to contract to produce this effect, but a better method according to Doncaster Moorside is to use hydraulic tensioning.

In the company's Morlode unit a solid steel block contains two hydraulic cylinders the pistons of which bear down on each side of the member to be stressed. The cylinders are provided with hydraulic pressure from an air driven hydraulic pump. In the block, and above the tension member, is a tee slot retaining a tensioner unit with tee end and equipped with a thread adaptor to allow connection to whatever member size is involved.

The Morlode can be used to *tension bolts or studding in* a straight line or spaced on various curvatures. Typical loading on, for example a 4½ inch diameter stud, is 375 tons with gauging via measurement of bolt extension. A number of the tensioners can be linked together with a common air line to prestress several bolts at the same time. More from Rippondern Road, Oldham OL1 4SB (061-624 8005).

● SERVICES

Government talks to bureaux

AFTER AT least three years of constant prodding from industry, the Government departments concerned (DoI and CCA) have set up a steering group instructed to find out what Government policies should be to foster the services industries in the U.K., represented by the Computer Services Association.

As is usual in such circumstances, U.K. practice is to be compared by the group with what takes place elsewhere—even though it is probable that U.K. service companies are well ahead of their peers in other countries, even the U.S., in sophistication of use of hardware and elaboration of new software.

The results of the study may or may not be published at some later date. But with the turnover of the service industry in this country already a sizeable fraction of that [of manufac]turers of hardw[are] ... circumstances whe[re] ... of bureau operato[rs] ... to manufacturers ... original software ... clear that a much ... approach than a " ... is needed.

The French hav[e] ... on the value of ... systems expertise ... Government ... making sure tha[t] ... spent by Governm[ent] ... ing new software ... in a very short ... guided contracts.

● SAFETY

Explosi[ons] made s[afe]

ALCOA International ... offering to the ex... try four new alu... tiser and extende... "dedusted" fo... powders—while r... tiveness—make sl... much safer to handle.

Alcoa aluminite ... and 1663 are new ... The major new fe... powders is th... dedusted by a ... patented by Hars... Company and m... pending) by Alco... cess, a small amou... "Teflon" (polytet... resin) is coated o... aluminium powder ...

Teflon acts as a ... weakly binding ... the flake particles ... avoid the forma... clouds. When i... the manufacture ... sives, the Teflo... broken and the ... to its effective st...

Alcoa is at ... House, 197 ... London SW7 1RB

Keeps dust ou[t]

PROMPTED by t... persuading workp... environments to ... wearing, availab... respirators, the S... Research Estab... developed an ai... called Airstream ... marketed by Rac... an NRDC licence ...

The helmet has ... upper back of th... which the dusty ... past a coarse filt... a battery driven ... flow is through ... in the helmet roo... air with 90 per c... ticles larger th... removed is then ... down over the w...

A slightly posit... exists in the ... wearer's mouth ... venting dust ingre... entry via the sid... is obviated by pl...

With the other ... protective helmet ... a large visor. A ... protection to skull ... lungs while keepi... on the head to les... Visibility is hardl... normal conversat... place since the a... the mouth is open ... can be worn if n...

A five-volt ni... battery pack to d... carried in a top ... flying lead to the ... about 10 hours ... charging is ove... packs might need ... in bad conditio... normally in a wee...

Airstream, costi... at the moment suit... ground applicatio... underground and ... safe versions ... developed. Racal-A... Beresford Avenu... Middx. (01-902 89...

هكذا اصل الأصل

اعلانات المال

A copy of this Offer for Sale has been delivered to the Registrar of Companies for registration together with copies of the documents referred to below.
This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to Electra Investment Trust Limited ("Electra"). The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.
Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of Electra to be admitted to the Official List.

The application list for the Ordinary Stock Units now offered for sale will open at 10.00 a.m. on Friday 20th February, 1976 and may be closed at any time thereafter on the same day.

Electra Investment Trust Limited

Incorporated under the Companies Act, 1929. Registered in England. Number 303062.

AN ELECTRA HOUSE COMPANY

Offer for Sale
of
12,500,000 Ordinary Stock Units of 25p each at 87p per Stock Unit

payable in full on application

SHARE CAPITAL

Authorised £		Issued and fully paid £
2,773,800	In 11,095,200 Ordinary Shares of 25p each	—
12,226,200	in 48,904,800 Ordinary Stock Units of 25p each	12,226,200
£15,000,000		£12,226,200

Loan Capital and Indebtedness
On 23rd January, 1976 Electra had outstanding £2,388,747 6 per cent. Debenture Stock 1984/89 and Eurodollar Loans of U.S. $5,500,000 (equivalent to £2,715,379 on the basis of an exchange rate of U.S. $2·0255 = £1) of which U.S. $4,000,000 is repayable on 28th February, 1985 and U.S. $1,500,000 is repayable in equal half-yearly instalments of U.S. $150,000 commencing on 31st August, 1980. The Debenture Stock is constituted by a Trust Deed dated 12th October, 1964 and is secured by a floating charge over the undertaking, property and assets of Electra. The Eurodollar Loans are constituted under a Loan Agreement with the Bank of Montreal and are secured in the manner described under material contract (B) (4) below. In connection with the banking activities of Hume Corporation Limited, an associated company, Electra is obliged to lend to Hume Corporation Limited in the circumstances referred to in material contract (A) below and at the latter's request, an amount not exceeding 23·2 per cent. of Hume Corporation Limited's issued share capital and reserves. This contingent liability amounted at 31st December, 1975 to £697,000. Save as aforesaid and apart from inter-company indebtedness neither Electra nor its subsidiaries had outstanding at 23rd January, 1976 any borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, hire purchase commitments or, except in the ordinary course of business, any guarantees or other material contingent liabilities.

DIRECTORS
Alastair Forbes Roger, *Chairman,*
73 Addison Road, London, W14 8EB.
Michael Craig Stoddart, F.C.A., *Deputy Chairman and Managing Director,*
Compton House, Kinver, Nr. Stourbridge, Worcestershire, DY7 5LY.
Alexander William Anderson,
Abbots Ann, Three Pears Road, Merrow, Guildford, Surrey, GU1 2XU.
Lt.-Col. Anthony Dinsdale Belden, T.D.,
Dalsport House, Gustard Wood, Wheathampstead, Hertfordshire, AL4 8RQ.
George Wardrop Fyfe, C.A.,
Gable Cottage, Coombe Hill Road, Kingston-upon-Thames, Surrey, KT2 7DY.
Bryan Percival Jenks,
Compton Beauchamp House, Shrivenham, Nr. Swindon, Wiltshire, SN6 8NN.
Nigel Vinson,
34 Kynance Mews, London, SW7 4QR.

INVESTMENT MANAGERS
Electra Group Services Limited,
(Investment Director—C. H. Black, M.A., LL.B.)
Electra House, Temple Place, Victoria Embankment, London, WC2R 3HP.

SECRETARIES AND REGISTERED OFFICE
Electra Group Services Limited,
(Secretary—J. P. Craze, A.C.I.S.)
Electra House, Temple Place, Victoria Embankment, London, WC2R 3HP.

BANKERS
National Westminster Bank Limited,
15 Bishopsgate, London, EC2P 2AP.

Bank of Montreal,
47 Threadneedle Street, London, EC2R 8AN.

SOLICITORS
Linklaters & Paines,
Barrington House, 59/67 Gresham Street, London, EC2V 7JA.

AUDITORS AND REPORTING ACCOUNTANTS
Deloitte & Co., *Chartered Accountants,*
128 Queen Victoria Street, London, EC4P 4JX.

BROKERS
Cazenove & Co.,
12 Tokenhouse Yard, London, EC2R 7AN and The Stock Exchange.

REGISTRARS AND TRANSFER OFFICE
Lloyds Bank Limited,
Registrar's Department, Goring-by-Sea, Worthing, West Sussex, BN12 6DA.

TRUSTEES OF THE 6 PER CENT. DEBENTURE STOCK 1984/89
Commercial Union Assurance Company Limited,
P.O. Box 420, St. Helen's, 1 Undershaft, London, EC3P 3DQ.

luction

le of the £12,226,200 Ordinary Stock in Electra Investment Trust Limited ("Electra") in issue is owned in equal proportions by Cable Trust Limited ("Cable") and Globe nt Trust Limited ("Globe"). All three companies together with others ("Electra House es") are managed by Electra Group Services Limited details of which company are elow.

rdinary Share capitals of both Cable and Globe are listed on The Stock Exchange. r cent. Debenture Stock 1984/89 of Electra has been so listed since it was issued in since Cable and Globe between them own the whole of Electra's share capital none are capital has hitherto been listed.

nd Globe and Electra have each been approved by the Inland Revenue as investment the taxation purposes referred to under Reasons for Offer below but the conditions investment trust must satisfy in order to qualify for approval were altered by the ct 1972 and Electra will not qualify unless its Ordinary Share capital becomes listed. nd Globe have therefore arranged for the sale to the public in equal proportions of ate of 12,500,000 Ordinary Stock Units of 25p each in Electra. Application has been e Council of The Stock Exchange for the whole of the issued share capital of Electra tted to the Official List. The net proceeds of sale will accrue equally to Cable and

rdinary Stock Units now being offered for sale, 20 per cent. will be made available eferential applications by eligible holders of the Ordinary Stock and/or Convertible Loan Stock of Cable and/or of Globe on the Registers of either company on 2nd 976.

ectors of Cable and of Globe consider that their respective company's holding in lowing the Offer for Sale) of 18,202,400 Ordinary Stock Units (representing 37.22 each case) is held as a long term investment.

ıs for Offer

Globe have been approved by the Inland Revenue as investment trusts for the f Section 359 of the Income and Corporation Taxes Act 1970 (as amended) ("the) for the years ended 31st December, 1974 and 31st March, 1975 respectively and nce directed its affairs so as to enable it to continue to seek such approval.

d Revenue has approved Electra as an investment trust for the purposes of the Taxes year ended 31st March, 1975 and Electra has continued to direct its affairs so as to seek such approval in respect of the year ending 31st March, 1976.

s an approved investment trust, is charged to corporation tax on capital gains at reduced rate; for the year ended 31st March, 1975 this effective rate was 16½ per has not yet been fixed for the current year. While Electra is an approved investment ckholder subject to United Kingdom taxation on capital gains who disposes of ock Units in Electra and realises a capital gain will be entitled under current legisla- dit against any tax liability on that gain equivalent to a maximum of 17½ per cent.

itions which a company must satisfy to be able to obtain approved investment trust altered by the Finance Act 1972. In the case of Electra the amended conditions n respect of accounting periods after 31st March, 1976 and in the absence of any a will then no longer be able to qualify as an approved investment trust as defined Act because its ordinary share capital would not be listed on a recognised stock the United Kingdom. The loss of such status would mean, *inter alia*, that neither s stockholders would qualify for the advantageous tax treatment referred to above. mption that the application to The Stock Exchange is successful, Electra will be fy the conditions needed to continue to seek approval as an approved investment

and Business

registered in England on 15th July, 1935 (under the name of Cables Investment d) to carry on business as an investment trust company with power, *inter alia*, to Cable (under its then name of Cable and Wireless (Holding) Limited) investments ue at that date of approximately £7,000,000. It adopted its present name on 26th

otal portfolio at 23rd January, 1976 comprised investments having a valuation of ("the investment portfolio") and certificates of deposit and money at short notice 0. All references to valuations of investments of Electra and its subsidiaries con- document have been calculated by reference to paragraph 2 of the Accountants' rt below.

s two subsidiary companies, both wholly owned, Electra Investments Inc. and ments Limited.

estments Inc. was incorporated in the State of Delaware in the United States of 1th February, 1975 to hold certain investments in the United States of America. England restricts such investments to those shown under paragraph 4 (note viii) ntants' Report below. Reference must be made to the Bank of England prior to ments Inc. undertaking any further activities or investments.

estments Limited, which is an investment holding company, was registered in 1th December, 1885 as a public company under the name of The African Direct mpany Limited. Its name was changed to The African Direct Telegraph and Trust ited on 6th November, 1957 and to Electra Investments Limited on 16th August. ng the acquisition on 9th December, 1975 of shares not already owned by Electra, ments Limited became a wholly owned subsidiary of Electra and its entire portfolio s was subsequently transferred to Electra.

s not itself participate in sub-underwriting commitments; such offers as are eferred to Electra Finance Company Limited which is owned by five of the Electra nies, including Electra to the extent of 36.2 per cent.

olicy

have decided to change the emphasis of their investment policy in that they will t a greater proportion of Electra's resources in unlisted securities: it is intended ment portfolio will comprise two parts—the first (**"the First Part"**) an orthodox st portfolio consisting of securities listed at home and abroad; the second **d Part"**) consisting of investments first in existing associated companies, listed companies, the majority being of a size which would enable them to seek a comparatively short period of time and thirdly in private and small public com- nder the terms of Electra's contract with Development Capital Limited (see below). on of the Directors that no more than 50 per cent. of the valuation of Electra's should be represented by unlisted securities. It is, moreover, not expected that w years more than 10 per cent. of such valuation will be represented by invest- nder the terms of Electra's contract with Development Capital Limited.

The valuation of the securities held by Electra in any one company (other than those of another investment trust which has been approved by the Inland Revenue) will not at the date of their acquisition be more than 10 per cent. of the total gross assets of Electra.

The First Part had a valuation at 23rd January, 1976 of £53,037,000. Although at that date it represented 84.1 per cent. of the investment portfolio, that percentage will naturally be reduced as more investments are made in unlisted securities. The overseas component of this part of the portfolio, having a valuation at 23rd January, 1976 of £16,535,000, was comprised almost entirely of investments in the United States of America, South Africa, Canada, Hong Kong, Brazil and Japan.

The recent high level of the premium on foreign investment currency and the requirement that on the sale of any investment eligible for the investment currency premium 25 per cent. of that premium must be surrendered to the Bank of England have hindered the flexible management of overseas investments. The Directors, however, intend to keep under consideration the possibility of borrowing further foreign currency.

The Second Part had a valuation at 23rd January, 1976 of £10,024,000 then equal to 15.9 per cent. of the investment portfolio.

The principal investments in this part of the portfolio, other than those in Electra House Companies details of which are set out under paragraph 4 (note viii) of the Accountants' Report below, now include a 19.51 per cent. holding in M. W. Marshall Investments Limited, an international money broking organisation, and a 20 per cent. holding in Hume Corporation Limited, a banking organisation based in London, of which Mr. A. F. Roger, Chairman of Electra, is a Director.

Electra and Electra Investments Inc., have interests in Oppenheimer & Co., Inc. (a member of the New York Stock Exchange), of which Mr. M. C. Stoddart, Deputy Chairman and Managing Director of Electra, is a Director, and Electra Investments Inc. has interests in Oppenheimer Management Corporation and Oppenheimer Capital Corp. Details of these interests are shown under paragraph 4 (note viii) of the Accountants' Report below. The latter two companies have under their direct management, or on a consulting basis, investments having a valuation at 31st December, 1975 of approximately U.S.$3,200,000,000. Electra has, for so long as it has an interest direct or indirect in Oppenheimer & Co., Inc., the right, subject to the receipt of official consents, to participate in proportion to such interest (at present 10 per cent.) in financial operations mounted by the Oppenheimer Partnership which controls the three Oppenheimer companies mentioned above.

The Directors, believing that there are opportunities to make profitable and useful investments in the £200,000 to £750,000 range in private and small public companies, have arranged for Development Capital Limited to investigate and closely monitor such investments on Electra's behalf and, where required, to provide management support. No investments have yet been made under this arrangement but when they are made in such a company, by means of investing in various securities including convertible unsecured loan stock and convertible preference shares, a high yield will be regarded as of great importance.

Investments

The following tables give details of the investments of Electra as at 23rd January, 1976 and are based upon valuations as at that date.

Classification and Geographical Distribution

	Great Britain	United States of America	Canada	Republic of South Africa	Asia	Elsewhere	Totals
	%	%	%	%	%	%	%
Equities and Convertible Securities							
Capital Goods Group	8.79	1.23	0.33	—	—	—	10.35
Durable Consumer Goods Group	4.10	1.07	—	—	—	—	5.17
Non-durable Consumer Goods Group	14.58	1.27	0.43	1.08	—	—	17.36
Other Groups	13 40	4 64	0 86	—	0.83	—	19.73
Financial Group	15.51	1.77	3.13	2.34	5 11	2.36	30.22
Commodity Group	1.44	0.38	0.44	3 04	—	—	5 30
Total	57.82	10.36	5.19	6.46	5.94	2.36	88.13
Fixed Interest							
Government Securities	1.16	—	—	—	0 01	—	1.17
Debentures, etc.	4 06	3.04	—	—	—	—	7.10
Preference Shares	0.64	—	—	—	—	—	0.64
Certificates of Deposit and Money at Short Notice	2.96	—	—	—	—	—	2.96
Total	8.82	3.04	—	—	0.01	—	11 87
Grand Total	66.64	13.40	5.19	6.46	5.95	2.36	100.00

Notes
The geographical distribution is in accordance with a company's country of incorporation.
Included under the heading "Great Britain" are securities in British companies having a significant proportion of their assets and/or earnings overseas.

Disposition of Securities

Investments	£'000	£'000	%
Listed Investments at Market Value		53,037	81.6
Unlisted Associated Companies at Valuation:—			
Electra Investments (Canada) Limited	750		1.1
Electra Investments (Rhodesia) Limited	762		1.2
Electra Investments (South Africa) Limited	1,519		2.3
Others	3,303		5.1
		6,334	
Other Unlisted Investments at Valuation		3,690	5.7
		63,061	97.0
Certificates of Deposit and Money at Short Notice		1,925	3.0
		64,986	100.0

Largest Holdings by Valuation (excluding Associated Companies)

Company	Valuation
	£'000
The Hong Kong and Shanghai Banking Corporation	3,200
Trafalgar House Investments Limited	2,520
Akroyd & Smithers Limited	1,720
'Shell' Transport and Trading Company Limited	1,641
De Beers Consolidated Mines, Limited	894
Courtaulds, Limited	835
Royal Insurance Company, Limited	820
Brazilian Investments S.A.	760
*M. W. Marshall Investments Limited	734
Imperial Chemical Industries Limited	720
The Standard Trust, Limited	720
Tate & Lyle, Limited	712
British-American Tobacco Company Limited	710
The General Electric Company Limited	697
Commercial Union Assurance Company Limited	666
The British Petroleum Company Limited	590
South African Breweries Limited	578
The Prudential Assurance Company Limited	552
Mitsui & Co.	543
The Law Land Company, Limited	521
*Unlisted	20,133

Notes
The valuation of the above investments represents 31.93 per cent. of the portfolio at 23rd January, 1976.
Convertible securities and all classes of equity in any one company have been treated as one investment.
Electra also held on that date Government securities with a market value of £752,000

The following table gives details of investments of Electra and of Electra Investments Inc. as at 23rd January, 1976 which amounted to 10 per cent. or more of the issued equity share capital of the company in which the investment was made but excludes Associated Companies.

Company	Class of Share held	Holdings as percentage of issued capital
		%
Akroyd & Smithers Limited	Ordinary	10.00
Bullough Limited	Ordinary	10.34
M. W. Marshall Investments Limited	Ordinary	19.51
Oppenheimer & Co., Inc.	Common	10.00
Oppenheimer Capital Corp.	Common	10.00
	Preferred	10.00
Oppenheimer Management Corporation	Common	9.32
	Series B Preferred	10.00
Sale Tilney & Company, Limited	Ordinary	15.45

Note
To the extent that the above investments were held as at 30th September, 1975 the position is set out in paragraph 4 (note viii) of the Accountants' Report below.

Directors

Mr. A. F. Roger, 59, joined the Board in 1964, was elected Deputy Chairman in 1965 and Chairman in 1972. Mr. Roger is Governor of Cable and Chairman of Globe, of Telephone and General Trust Limited and of Temple Bar Investment Trust Limited (all Electra House Companies). He is also a Director of The British Electric Traction Company, Limited, of Border and Southern Stockholders Trust Limited and of a number of other companies.

Mr. M. C. Stoddart, F.C.A., 43, joined the Board in October 1973. He was elected Deputy Chairman and appointed Managing Director in January 1974. In addition to being a Director of Cable and of Globe, he is also a Director of C. T. Bowring & Co. Limited, of Provident Financial Group Limited, of J. Hepworth & Son Limited and of a number of other companies.

Mr. A. W. Anderson, 66, joined the Board in 1971. He retired from his full-time executive position as Investment Manager of Electra in 1974 having spent a lifetime in the field of investment management. He is a Director of a number of other companies including Cable and Globe.

Lt.-Col. A. D. Belden, 66, joined the Board in 1951. He has long experience in the investment trust world and is a Director, in a non-executive capacity, of Cable and of Globe.

Mr. G. W. Fyfe, C.A., 64, joined the Board in 1974. He is a Director of Cable and of Globe and the other Electra House Companies and is executive Chairman of Electra Group Services Limited

Mr. B. P. Jenks, 57, joined the Board on 28th June, 1975. He is Chairman of Bullough Limited and a Director of a number of other listed companies.

Mr. N. Vinson, 45, joined the Board on 28th June, 1975. He has wide experience of industry, is a Director of a number of other companies, is a member of the British Airports Authority and of the Sugar Board.

Management

Electra Group Services Limited

Electra Group Services Limited ("E.G.S.") was formed in 1970 by its present shareholders to share investment management, secretarial and administrative services amongst the Electra House Companies. It is in the course of expanding its business to include the management of the investment portfolios of pension funds, other institutional investors and substantial private clients. E.G.S. has informed the Directors that it has under management investments which had at 31st December, 1975 a valuation of approximately £350,000,000.

The share capital of E.G.S. was increased on 30th January, 1976 and the present issued share capital of £500,000 is held as follows:—

	Shares of £1 each	% of total issued capital
Cable	200,000	40.00
Globe	171,250	34.25
Electra	86,250	17.25
Telephone and General Trust Limited	28,750	5.75
Temple Bar Investment Trust Limited	13,750	2.75
	500,000	100.00

continued overleaf

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Electra Investment Trust Limited

AN ELECTRA HOUSE COMPANY

Mr. G. W. Fyfe is, as already stated, executive Chairman of E.G.S. and Mr. C. H. Black is its Investment Director.

Subject to obtaining the necessary Bank of England consents, E.G.S. intends (with a view to participating in investment management in different parts of the world) to acquire minority interests in investment management companies overseas, including Hong Kong and Switzerland.

A brief description of Electra's contract with E.G.S. is set out under material contracts (B) (6) below.

Development Capital Limited

Development Capital Limited ("D.C.") is a private company registered in England on 15th May, 1962 and has an authorised and issued share capital of £100 which is owned as to 80 per cent. by the management of D.C. and as to 20 per cent. by Cooperative Insurance Society Limited ("C.I.S.").

Electra has entered into an agreement with D.C. whereby in accordance with the investment policy laid down by Electra D.C. will recommend investment opportunities in medium-sized private and small public companies. If Electra makes an investment D.C. will monitor the performance of such companies on behalf of Electra and where required, provide them with management support and advice. D.C.'s wholly owned subsidiary, Development Capital Investments Limited ("D.C.I.") (of which Mr. M. C. Stoddart and Mr. M. E. D'A. Walton, A.C.A., an executive Director of E.G.S., are Directors), will be granted rights to participate in such investments and Electra may provide financial assistance to D.C.I. to enable D.C.I. to take up its participation.

The Chairman of D.C. is Mr. John E. Bolton, one-time Chairman of the Committee of Inquiry on Small Firms. Each of the full-time executives of D.C. is either a graduate or has a professional qualification and together they provide a team of varied and complementary skills which has direct experience in industry.

D.C. also manages Small Business Capital Fund Limited which was set up in conjunction with C.I.S. in 1969 to provide venture capital for small private companies with substantial growth *potential and which has become* established *over* the last six years as a prominent venture capital organisation.

A brief description of Electra's contract with D.C. is set out under material contract (B) (5) below.

Earnings and Dividends

The Directors are of the opinion that in the *absence of unforeseen circumstances the earnings* after taxation of Electra and its subsidiaries for the year ending 31st March, 1976 will be not less than £1,900,000.

The forecast of earnings for the year ending 31st March, 1976 (based on the assumptions set out under the paragraph headed "Earnings Forecast" in Statutory and General Information below) and the actual and forecast appropriations can be summarised as follows. The actual *figures for the previous year are shown for information.*

Actual Year ended 31st March, 1975 £		Forecast Year ending 31st March, 1976 £
2,503,000	Earnings after expenses and interest but before taxation	3,150,000
997,000	Taxation	1,250,000
1,506,000	Earnings after taxation	1,900,000
	Appropriations:	
552,000	Interim Dividend	978,000
600,000	Proposed Final Dividend	783,000
£354,000	Added to Reserves	£139,000

On the basis of forecast earnings after taxation of not less than £1,900,000 for the current financial year, the Directors expect to recommend for payment on or about 30th July, 1976 a final dividend for the year ending 31st March, 1976 for which the Stock Units now offered for sale will qualify and which would amount to 1.60p per Ordinary Stock Unit.

In a full year on the basis of earnings after taxation of £1,900,000, the Directors would expect to recommend dividends totalling 3.60p per Ordinary Stock Unit with an interim dividend of approximately forty per cent. of that amount being payable towards the end of January in that financial year and a final dividend of the balance being payable towards the end of the following July.

Assuming an annual dividend at the rate of 3.60p per Ordinary Stock Unit of 25p and an imputed U.K. tax credit of 1.938p, the yield on the issue price of 87p would be 6.36 per cent. per annum.

Net Asset Value

On the following basis (which is one recognised by the Association of Investment Trust Companies) namely that all revenue account items arising since the date of the last published Balance Sheet (as at 31st March, 1975) have been excluded and that all prior charges are taken at par, the net asset value of Electra at 23rd January, 1976, after allowing for the expenses of this Offer for Sale attributable to Electra, was £58,713,000. The aggregate of the net potential liabilities to tax on the unrealised appreciation of investments and to the possible surrender of investment currency premium at that date was £5,461,000 (which is equivalent to 11⅛p per *Ordinary Stock Unit now in issue*).

The net asset value per Ordinary Stock Unit based on the figure of £58,713,000 above and on the number of Ordinary Stock Units in issue at 11th February, 1976 was:—

	Net Asset Value
On 48,904,800 Ordinary Stock Units of 25p each	120p

Changes in issued share capital since 31st March, 1975 are referred to below under the paragraph headed "Share Capital History" in Statutory and General Information.

Accountants' Report

The following is a copy of a report which has been received from Deloitte & Co., the auditors of Electra and reporting accountants:—

128 Queen Victoria Street,
London, EC4P 4JX.
11th February, 1976.

The Directors,
Cable Trust Limited
Globe Investment Trust Limited
Electra Investment Trust Limited

Gentlemen,

1. Introduction

We have examined the audited accounts for the five years ended 31st March, 1975 and audited interim accounts for the six months ended 30th September, 1975 of Electra Investment Trust Limited ("Electra") and the audited accounts of its subsidiary Electra Investments Inc. from the date of incorporation, 11th February, 1975, to 30th September, 1975.

Electra and its subsidiary, Electra Investments Inc., are collectively referred to herein as "the Group". We have been auditors of Electra in respect of all the relevant accounting periods and our associated firm, Haskins & Sells, have been auditors of the subsidiary since its incorporation.

Since 30th September, 1975 Electra Investments Limited, formerly an associated company, has become a wholly owned subsidiary of Electra. We report on Electra Investments Limited in paragraph 5 below.

2. Statement of Accounting Policies

The following are the accounting policies adopted in arriving at the information in paragraphs 3 and 4 of this report.

(i) Income and expenditure

Investment income is included on the basis of actual receipts. Interest receivable and payable and all other expenses are treated on the accruals basis.

(ii) Exchange rates

All foreign currency assets and liabilities are translated to sterling at the middle closing rates of exchange at the balance sheet date.

(iii) Investment currency premium

In valuing foreign currency balances and investments the full investment currency premium is included in all eligible cases. No deduction is made for the possible loss of 25 per cent. of the premium in the event of the disposal of the relevant assets.

(iv) Associated companies

Dividends received during the year from these companies are included in the revenue account and their value at the year end is shown separately in the balance sheet. Electra does not introduce its share of the undistributed profits of the associated companies into its accounts as, in the opinion of the directors, it would be misleading for an investment trust to do so.

(v) Investments

Quoted investments are valued at middle market prices.

Unquoted investments are valued by the directors on the basis of information available to them, except that Electra Investments (Rhodesia) Limited is valued at cost, and Electra Investments Limited, Electra Finance Company Limited, Electra Investments (Canada) Limited and Electra Investments (South Africa) Limited are valued at net asset value (incorporating investments at market value including, where appropriate, full investment currency premium) based upon the latest available audited accounts or unaudited management accounts.

No provision is made for any net potential liability for tax on unrealised capital gains.

3. Earnings

In our opinion the summary set out below, read in conjunction with the notes thereto and the Statement of Accounting Policies, gives a true and fair view of the earnings of Electra for each of the five years ended 31st March, 1975 and of the Group for the six months ended 30th September, 1975.

		Electra					The Group
		Year ended 31st March					6 Months ended 30th September,
		1971	1972	1973	1974	1975	1975
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Gross Revenue	(ii)	1,825	1,920	1,971	2,476	2,800	1,900
Expenses		55	60	66	102	141	83
Interest on Loans and Debenture Stock		145	143	143	143	156	183
Earnings before taxation		1,625	1,717	1,762	2,231	2,503	1,634
Taxation	(iii)	664	677	699	813	997	671
Earnings after taxation attributable to members		961	1,040	1,063	1,418	1,506	963
Dividends	(iv)	716	772	856	1,080	1,152	—
Retained earnings		245	268	207	338	354	963
Earnings per Ordinary Stock Unit of £1	(v)	16.02p	17.35p	17.71p	23.63p	25.10p	16.05p

Notes

(i) The figures shown above are based on the audited accounts of Electra and its subsidiary after making such adjustments as we consider appropriate.

(ii) Gross revenue comprises:

	Electra					The Group
	Year ended 31st March					6 Months ended 30th September,
	1971	1972	1973	1974	1975	1975
	£'000	£'000	£'000	£'000	£'000	£'000
Franked Income:						
Quoted Investments	1,136	1,272	1,207	1,537	1,502	886
Unquoted Investments—Associated Companies	58	58	70	104	48	86
Other Companies	17	22	21	21	42	53
	1,211	1,352	1,298	1,662	1,592	1,025
Unfranked Income						
Quoted Investments	406	382	486	493	543	402
Unquoted Investments—Associated Companies	166	129	119	98	311	194
Other Companies	4	—	—	—	—	150
	575	511	605	591	854	746
Interest Receivable	39	57	68	223	354	129
	1,825	1,920	1,971	2,476	2,800	1,900

(iii) The charge for taxation comprises:

	Electra					*The Group*
	Year ended 31st March					6 Months ended 30th September,
	1971	1972	1973	1974	1975	1975
	£'000	£'000	£'000	£'000	£'000	£'000
Corporation Tax	158	148	193	296	474	316
Less: Relief for Overseas Tax	89	70	69	50	54	31
	69	78	124	246	420	285
Overseas Tax	95	74	72	50	54	31
	164	152	196	296	474	316
Tax credits applicable to franked investment income (prior to 6th April, 1973 Income Tax deducted)	500	525	503	517	523	355
	664	677	699	813	997	671

The surplus of franked investment income at 30th September, 1975 amounted to £2,365,000 and is available to frank dividends payable in respect of future periods.

(iv) Dividends paid (net of income tax and imputed tax credits) in respect of the five years ended 31st March, 1975 were:

Year ended 31st March	Amount £'000	Rate p per stock unit
1971	716	11.94
1972	772	12.86
1973	856	14.26
1974	1,080	18.00
1975	1,152	19.20

The share capital consisted of 6,000,000 Ordinary Stock Units of £1 throughout the above mentioned periods.

An interim dividend in respect of the year ending 31st March, 1976 of £978,000 (16.00p per stock unit) was paid on 30th January, 1976 on the 6,113,100 Ordinary Stock Units of £1 then in issue.

(v) The calculation of earnings per stock unit is based on earnings after taxation and on the 6,000,000 Ordinary Stock Units of £1 each in issue throughout the five and a half years ended 30th September, 1975.

4. Balance Sheets

In our opinion the balance sheets set out below, read in conjunction with the notes thereto and the Statement of Accounting Policies, give a true and fair view of the state of affairs of Electra at each 31st March from 1971 to 1975 and of Electra and the Group at 30th September, 1975.

Electra 30th September, 1975			Electra 31st March					The Group 30th September, 1975
			1971	1972	1973	1974	1975	
£'000		Notes	£'000	£'000	£'000	£'000	£'000	£'000
	Investments							
	Quoted at Market Value							
29,706	In Great Britain		29,351	42,718	37,579	23,694	22,383	29,706
13,684	Abroad		9,146	12,666	17,213	15,327	13,148	13,684
	Unquoted at Directors' Valuation							
6,884	Associated Companies	(viii)	4,169	5,120	5,575	7,747	6,065	6,884
3,200	Other Investments		356	397	591	807	3,387	3,834
630	Subsidiary Company	(iii)	—	—	—	—	535	—
54,104			43,022	60,902	60,958	47,575	45,518	54,108
	Current Assets							
259	Debtors		25	30	295	236	148	242
2,000	Certificates of Deposit & Money at Short Notice		400	885	1,000	940	4,000	2,000
913	Balances at Bankers & Money at Call		190	230	379	205	455	983
57,276	Total Assets		43,637	62,047	62,632	48,956	50,121	57,333
	Current Liabilities							
807	Creditors		58	5	171	117	683	807
39	Interest Accrued on Debenture Stock		37	37	37	40	39	39
774	Taxation		40	83	110	425	326	774
—	Final Dividend		276	294	378	528	600	—
1,620			411	419	696	1,110	1,648	1,620
55,656			43,226	61,628	61,936	47,846	48,473	55,713
5,081	Loans and Debenture Stock	(iv)	2,389	2,389	2,389	2,389	4,616	5,081
50,575	Net Assets		40,837	59,239	59,547	45,457	43,857	50,632
	Represented by:							
6,000	**Issued Share Capital**	(v)	6,000	6,000	6,000	6,000	6,000	6,000
	Reserves							
600	Capital Redemption Reserve Fund		600	600	600	600	600	600
16,356	Capital Reserves	(vi)	7,127	7,948	8,804	11,474	13,429	16,356
4,910	Revenue Reserves		2,782	3,050	3,257	3,595	3,949	4,912
22,709	Unrealised net appreciation on Investments & Currency	(vii)	24,328	41,641	40,886	23,788	19,879	22,764
50,575			40,837	59,239	59,547	45,457	43,857	50,632

Potential liability to taxation and to surrender of investment currency premium

In arriving at the figures in the foregoing Balance Sheets, no provision is made for any net potential liabilities for tax on unrealised capital gains and no deduction is made for the 25% of the investment currency premium which would have had to have been surrendered under the United Kingdom Exchange Control regulations currently in force had the investments been disposed of at the Balance Sheet dates. The potential liabilities are given below.

Electra 30th September, 1975		Electra 31st March					The Group 30th September, 1975
		1971	1972	1973	1974	1975	
£'000		£'000	£'000	£'000	£'000	£'000	£'000
2,361	Taxation on unrealised appreciation of investments	3,576	4,492	4,334	2,004	1,807	2,361
	Effective rate of tax	30%	15%	15%	15%	16½%	16½%
1,201	25% surrender of investment currency premium	330	439	200	815	1,379	1,201
	Rate of premium	20%	26½%	13¾%	27%	72½%	54¾%

Net assets per Ordinary Stock Unit of £1:

	1971	1972	1973	1974	1975	The Group 1975
Based on net assets as in the above Balance Sheets and on the 6,000,000 Ordinary Stock Units in issue throughout the period	681p	987p	992p	758p	731p	844p
Allowing for potential taxation on unrealised appreciation of investments and for investment currency premium surrender as set out above	615p	905p	917p	711p	678p	784p

Notes

(i) The above figures are based on the audited accounts of Electra and its subsidiary after making such adjustments as we consider appropriate.

(ii) There were future liabilities at 30th September, 1975 for calls payable in respect of investments amounting to £110,000.

(iii) Wholly owned subsidiary

Electra Investments Inc. (incorporated in the State of Delaware in the United States of America).

	£'000
5,000 shares of 10 cents (par value) at cost	288
U.S. $700,000 10% *Promissory Note 1976/82*	342
	630

No consolidated accounts were prepared at 31st March, 1975 as the expense and delay in so doing would have been out of proportion to the value to the members of Electra.

(iv) Loans and Debenture Stock

	£'000
Secured Eurodollar Loans	2,692
6% Debenture Stock 1984/89 repayable at par	2,389
	5,081

A secured Eurodollar loan of U.S. $4,000,000 is repayable on 28th February, 1985 and a further secured Eurodollar loan of U.S. $1,500,000 is repayable in equal half-yearly instalments of U.S. $150,000 commencing on 31st August, 1980. The loans have been converted at the rate of exchange ruling at the dates of the balance sheets (30th September, 1975 U.S. $2.0428 = £1). Repayment of the loans on their due dates could involve a liability for investment currency premium if certain criteria laid down by the Bank of England relating to remittances to the United Kingdom have not been met.

(v) Share Capital

Authorised £		Issued and Fully Paid £
6,000,000	in 6,000,000 Ordinary Stock Units of £1 each	6,000,000
1,000,000	in 100,000 Ordinary Shares of £10 each	—
£7,000,000		£6,000,000

On 10th December, 1975 11,310 Ordinary Shares of £10 each were issued in connection with the acquisition of the whole of the issued share capital of Electra Investments Limited not already held by Electra (see paragraph 5). Immediately after issue these shares were converted into 113,100 Ordinary Stock Units of £1.

(vi) Capital Reserves

	Electra					Electra and Group
	Year ended 31st March					6 months ended 30th September,
	1971	1972	1973	1974	1975	1975
	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance	6,948	7,127	7,948	8,804	11,474	13,429
Profits less losses:						
On realisation of investments and currency	165	810	877	2,864	1,941	3,179
On realisation of insurance policies	—	11	—	—	14	—
On purchase of debentures	14	—	—	—	—	—
Tax on capital gains	—	—	(21)	(194)	—	(252)
Closing balance	7,127	7,948	8,804	11,474	13,429	16,356

(vii) Unrealised net appreciation on investments and currency

	1971	1972	1973	1974	1975	1975
Opening balance	26,014	24,328	41,641	40,886	23,788	19,879
Increase/(decrease) in unrealised appreciation of investments	(1,686)	17,313	(755)	(17,098)	(3,909)	3,255
Unrealised loss on revaluation of currency loan	—	—	—	—	—	(370)
Closing balance	24,328	41,641	40,886	23,788	19,879	22,764

(viii) Particulars of Holdings in Associated and other Companies.

All holdings with the exception of that in Akroyd & Smithers Limited are unquoted. Each of the companies operates in the country of incorporation.

Associated Companies (incorporated in Great Britain unless otherwise stated)	Total Capital and Reserves	Percentage of Share and Loan Capital held by Electra at 30th September, 1975	Directors' Valuation of Electra's holding at 30th September, 1975 £'000
Clovordown Investments Limited (incorporated in Jersey, Channel Islands)			
Shares of £1	£1,000	38.2	*
Electra Finance Company Limited			
Shares of £1	£1,060,000	36.2	704
Reserves at 31st March, 1975	£630,000		
Electra Group Services Limited			
Shares of £1	£100	22.0	*
Reserves at 31st December 1974	£40,000		
Electra Investments Limited			
Shares of £10	£870,000	48.0	832
Reserves at 30th September, 1975	£864,000		
(Now wholly owned subsidiary, see paragraph 5 below)			
Electra Investments (Canada) Limited (incorporated in Canada)			
Common Stock	Can. $1,000,000	48.0	779
Reserves at 31st December, 1974 (Can. $2.327 = £1)	Can. $1,626,000		
Electra Investments (Rhodesia) Limited (incorporated in Rhodesia)			
Shares of R$ 2	R$3,300,000	46.2	762
Reserves at 31st March, 1975	R$7,385,000		
(R$1.29 = £1—nominal rate)			
Electra Investments (South Africa) Limited (incorporated in Republic of South Africa)			
Shares of R.2	R1,500,000	28.5	1,733
Reserves at 31st March, 1975 (R1.6175 = £1)	R4,861,000		
Hume Corporation Limited			
Shares of £1	£2,700,000	20.0	324
10% Unsecured Loan Stock 1982	£600,000	—	
10% Unsecured Loan Stock 1978	£2,500,000	100.0	1,750
Variable Rate Unsecured Loan Stock 1977	£1,500,000	—	
Reserves at 30th June, 1975	£315,000		
Electra may be called upon to lend to Hume Corporation Limited ("Hume") an amount not exceeding 23.2% of Hume's issued share capital and reserves if Hume's ratio of liquid assets to deposits falls below a prescribed level. At 30th September, 1975 this contingent liability amounted to £694,000.			
			6,884

*less than £1,000

Other Companies

The Group had holdings at 30th September, 1975 of 10 per cent. or more in nominal value of the issued capital in the following companies:

	Country of Incorporation	Class of Share held
Held by Electra		
Akroyd & Smithers Limited	Great Britain	Ordinary
M. W. Marshall Investments Limited	Great Britain	Ordinary
Held by Electra Investments Inc.		
Oppenheimer & Co., Inc.	U.S.A.	Common
Oppenheimer Capital Corp.	U.S.A.	Common Preferred
Oppenheimer Management Corporation	U.S.A.	Common Series B Preferred

Electra also held a U.S. $4,000,000 Subordinated Debenture 1985 of Oppenheimer & Co. Inc.

5. Electra Investments Limited

(i) Introduction

On 9th December, 1975 Electra acquired from Cable Trust Limited and Globe Investment T[…] a total of 45,240 shares of £10 each in Electra Investments Limited ("E.I. Ltd.") in conside[…] issue on 10th December, 1975 of 11,310 fully paid shares of £10 each in Electra. As a re[…] acquisitions E.I. Ltd., which formerly had been a 48 per cent. owned associated company (s[…] 4 (note viii) above), became a wholly owned subsidiary of Electra.

We have examined the audited accounts for the five years ended 31st December, 1974 […] interim accounts for the nine months ended 30th September, 1975 of E.I. Ltd.

We have been auditors of E.I. Ltd. for the whole of the period dealt with in this report.

(ii) Statement of Accounting Policies

The accounting policies adopted in arriving at the information in sub-paragraphs (iii) an[…] are the same as those of Electra as set out in paragraph 2 of this report with the exception of t[…] to associated companies which are not applicable to E.I. Ltd.

(iii) Earnings

In our opinion the summary set out below read in conjunction with the notes thereto and t[…] of Accounting Policies gives a true and fair view of the earnings of E.I. Ltd. for each of […] ended 31st December, 1974 and for the nine months ended 30th September, 1975.

		Year ended 31st December				
		1970	1971	1972	1973	1974
	Notes	£'000	£'000	£'000	£'000	£'000
Gross Revenue	(b)	81	87	85	114	132
Expenses		6	4	6	7	7
Earnings before taxation		75	83	79	107	125
Taxation	(c)	31	31	31	37	48
Earnings after taxation		44	52	48	70	77
Dividends		36	40	40	48	52
Retained earnings		8	12	8	22	25
Earnings per Ordinary Share of £10	(d)	50.46p	59.80p	55.59p	79.93p	88.04p

Notes

(a) The figures shown above are based on the audited accounts of E.I. Ltd. after making such adj[…] consider appropriate.

(b) Gross revenue comprises:

	Year ended 31st December				
	1970	1971	1972	1973	1974
	£'000	£'000	£'000	£'000	£'000
Franked Income:					
Quoted Investments	59	62	65	88	85
Unquoted Investments	4	3	3	2	2
	63	65	68	90	87
Unfranked Income:					
Quoted Investments	13	14	14	17	17
	76	79	82	107	104
Interest Receivable	5	8	3	7	28
	81	87	85	114	132

(c) The charge for taxation comprises:

	Year ended 31st December				
	1970	1971	1972	1973	1974
	£'000	£'000	£'000	£'000	£'000
Corporation Tax	5	6	5	8	20
Less: Relief for overseas tax	1	2	2	2	2
	4	4	3	6	18
Overseas tax	1	2	2	2	2
	5	6	5	8	20
Tax credits applicable to franked investment income (prior to 6th April, 1973 Income Tax deducted)	26	25	26	29	28
	31	31	31	37	48

The surplus of franked investment income at 30th September, 1975 amounted to £49,000 and is […] dividends payable in respect of future periods.

(d) The calculation of earnings per share is based on earnings after taxation and on the 87,000 sh[…] in issue throughout the five years and nine months ended 30th September, 1975.

(iv) Balance Sheet

In our opinion the following Balance Sheet gives a true and fair view of the state of a[…] at 30th September, 1975.

	Notes	£'0[…]
Investments	(b) (c)	
Quoted at Market Value		
In Great Britain		1,5[…]
Abroad		1[…]
Unquoted at Directors' Valuation		
Current Assets		
Debtors		
Balances at Bankers and Money at Call		
Total Assets		
Current Liabilities		
Creditors		
Taxation		
Interim dividend (paid 5th December, 1975)		
Net Assets		
Represented by:		
Issued Share Capital	(d)	
Share Premium Account		
Reserves		
Capital Reserve		2[…]
Revenue Reserve		1[…]
Unrealised appreciation on investments		3[…]

Notes

(a) The above balance sheet is based on the audited interim accounts of E.I. Ltd.

(b) Investment currency premium at 54¾ per cent. amounting to £65,000 is included in the inve[…] Under the United Kingdom exchange control regulations at present in force, if the investments ha[…] valuations at 30th September, 1975, 25 per cent. of the investment currency premium, amour[…] would have been surrendered.

(c) Investment valuations do not take into account any net potential liability for tax at 30 per c[…] gains. At 30th September, 1975 the liability on such gains was estimated at £87,000.

(d) Share Capital

Authorised

£1,000,000 In Shares of £10 each

6. Accounts

No audited accounts of Electra, the Group or E.I. Ltd. have been prepared in respec[…] subsequent to 30th September, 1975.

DE[…]
Charter[…]

Statutory and General Information

1. Share Capital History

(1) Electra was registered in England on 15th July, 1935 under the Companies Act, 19[…] capital of £4,000,000 divided into 400,000 shares of £10 each. Immediately prior to 1[…] 1975 the authorised share capital was £7,000,000 divided into 6,000,000 Ordinary Sto[…] each and 100,000 Ordinary Shares of £10 each of which the 6,000,000 Ordinary Stock Un[…]

(2) On 10th December, 1975 11,310 Ordinary Shares of £10 each were issued in eq[…] to Cable and to Globe in consideration for the acquisition from each of those compa[…] Shares of £10 each in Electra Investments Limited. Such Ordinary Shares in Electra wer[…] converted into £113,100 Ordinary Stock ranking *pari passu* with the existing Ordinary S[…]

(3) *On 11th February, 1976:*—

(i) the unissued 88,690 Ordinary Shares of £10 each were subdivided into 3,54[…] Shares of 25p each;

(ii) the authorised share capital was increased from £7,000,000 to £15,000,000 […] of 32,000,000 Ordinary Shares of 25p each;

(iii) the issued 6,113,100 Ordinary Stock Units of £1 each were subdivided into 24,45[…] Stock Units of 25p each; and

(iv) 24,452,400 Ordinary Shares of 25p each were allotted credited as fully paid by […]isation of capital reserves and were converted into 24,452,400 Ordinary Stock Uni[…]

(4) None of the unissued 11,095,200 Ordinary Shares of 25p each in Electra will be i[…] which would effectively alter the control of Electra or the nature of its business and no m[…] shares (other than to members *pro rata* to existing holdings) will be made within one yea[…] this document without in any case the prior approval of the members of Electra in genera[…]

2. Subsidiaries

The countries, dates of incorporation and issued share capitals of the subsidiaries of E[…] which are wholly owned) are as follows:—

Name	Country of Incorporation	Date of Incorporation
Electra Investments Limited	Great Britain	11th December, 1895
Electra Investments Inc.	State of Delaware, United States of America	11th February, 1975

3. Underwriting and Expenses

Under material contract (B) (7) below, Cazenove & Co. ("Cazenove") have agreed, […] Council of The Stock Exchange granting admission to the Official List of the whole of the i[…] capital of Electra not later than 20th February, 1976, to underwrite on behalf of Cable […] aggregate of 12,500,000 Ordinary Stock Units of 25p each in Electra now being offered […] public in accordance with the terms of this Offer of Sale.

The costs, charges and expenses of and incidental to this Offer for Sale including th[…] printing, publication and advertising of this Offer of Sale, all legal and accountancy expe[…] payable to The Stock Exchange and to Cazenove and other miscellaneous expenses are […] amount to £200,000 in aggregate and are payable by Electra. Cazenove will also receive […] totalling £189,675 in equal shares from Cable and Globe out of which they will pay a sub[…] commission of 1¼ per cent. of the price of 87p per Ordinary Stock Unit. Cable and Glob[…] brokerage amounting to a maximum of £29,362 in equal shares.

4. Articles of Association

The Articles of Association contain provisions to the following effect:—

(1) Borrowing Powers

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or p[…] exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, […] sidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining […] all money borrowed by the Group (which expression means and includes the Company and its sub[…] time being) and for the time being owing to persons outside the Group shall not at any time witho[…] sanction of an ordinary resolution of the Company exceed:—

(i) the amount paid up or credited as paid up on the share capital of the Company; and

(ii) the total of the capital and revenue reserves of the Group (including any share premium a[…] redemption reserve fund and credit balance on the combined profit and loss account) but excl[…] aside for taxation (other than for taxation, if any, provided on unrealised capital gains) and amou[…] to outside shareholders in subsidiaries of the Company and deducting any amounts attributable […] other intangible assets (other than goodwill arising on consolidation) and any debit balance or […] profit and loss account;

all as shown in a consolidation of the then latest audited balance sheets of the Group, but adjusted to […] as attributable to the Company) any surplus over the book values of the market values of listed inve[…] by any member of the Group and as may be appropriate in respect of any variation in the paid up share […] premium account of the Company since the date of its latest audited balance sheet, any amount distrib[…] to be distributed (but not provided for in such consolidation and not attributable to the Company) […] included therein and after making such other adjustments (if any) as the Auditors may consider approp[…]

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TMENTS

ık of England administration posts

S. Taylor, secretary OF ENGLAND, is f a new administra- ient being formed om March 1. The ment will bring management of sup- s and non-staff the Bank.

lepartment will in- existing secretary's, services and audit and that part of the department which the planning and premises.

s position as secre- ssumed by Mr. G. C. present deputy sec- ill rank as a deputy new department. puty chief will be Bennett; the other will be Mr. G. L. B. h responsibility for s); and Mr. J. S. h responsibility for rvices).

Mr. G. L. L. de Moubray will become head of computer services (retaining his status as a head of department) with special responsibility for the planning and development of the computer services at the head office of the Bank.

*

Mr. Peter Hutson, an executive director, has been appointed resident executive director in London of the HONGKONG AND SHANGHAI BANKING CORPORATION. Mr. Hutson will take up his new appointment in June and his main responsibilities will be to co-ordinate activities of the group's subsidiaries and associated companies in the U.K., Europe and the Middle East with those in the Far East and Pacific.

Mr. Norman H. T. Bennett, senior London manager and manager for Europe, will be retiring in June after 30 years with the corporation. Since his retirement will coincide with Mr. Hutson's appointment and also with changes in the administration of the bank's affairs in the U.K. and Europe, he will not be replaced.

*

NATIONAL FREIGHT CORPORATION has announced the appointment of Mr. George Skelton as chairman of Pickfords Removals and Pickfords Travel Services in addition to his posts as managing director.

Mr. David Brown has become managing director of Tankfreight. Mr. Brown, who was previously general manager of Harold Wood and Sons, succeeds Mr. Jack Mather, recently appointed co-ordinator of the NFC special traffics group. Mr. Alan Strachan has been appointed to NFC property committee.

*

Mr. M. Stone has been appointed to the main Board of BELLOW MACHINE COMPANY, the machinery division of the Staflex Group. Mr. Stone is responsible for the pressing and finishing, plastic and packaging and household textiles divisions.

*

Mr. Bruce S. Kyle has been appointed a non-executive director of ALFRED DUNHILL. Mr. Kyle is corporate development director at Carreras Rothmans.

*

Mr. David Frith, managing director of Industrial Plant (Combustion), has been appointed to the main Board of the parent concern, CARBOLITE COMPANY.

*

Mr. Ernest Harbottle, chairman of the West of England Trust, has been appointed a director of the CABLE TRUST part of the ELECTRA HOUSE GROUP.

Actuaries Institute president

Mr. C. Michael O'Brien has been elected president of the INSTITUTE OF ACTUARIES in succession to Mr. Gordon V. Bayley, whose term of office will expire on June 14.

Other honorary officers elected for 1976-77 are: Mr. C. J. Cornwall, Mr. S. Benjamin, Miss M. C. Allanach and Mr. A. R. N. Ratcliff, vice-presidents; Mr. K. G. Smith, treasurer; and Mr. M. H. Field and Mr. D. E. Fellows, honorary secretaries.

*

Mr. Alan Swann has been appointed general manager-finance of INTERNATIONAL AERADIO. He succeeds Mr. A. Freeman, who was appointed financial controller, British Airways Overseas Division in December last year.

NatWest overseas changes

Mr. R. J. Angus has been appointed chief international executive, Asia and Australasia/Africa of NATIONAL WESTMINSTER BANK. Previously senior international executive for Asia and Australasia, he succeeds Mr. R. B. Knight, who becomes head of planning, development and business co-ordination in the International Banking Division.

*

Mr. Harry Spencer, chief surveyor of CORRALL CONSTRUCTION, has been appointed a director of the company, which is part of the Powell Duffryn Group.

*

Mr. A. K. I. MacKenzie-Charrington is giving up executive duties but will remain on the Board of BASS CHARRINGTON.

*

Lord Inverforth has been appointed to the Boards of ANGLO-AMERICAN SECURITIES CORPORATION and NORTH ATLANTIC SECURITIES CORPORATION.

*

Mr. Peter Kavanagh has been appointed a director of BATCHELOR ROBINSON METALS AND CHEMICALS.

*

Mr. H. D. Osborne has been appointed managing director of the LAW DEBENTURE CORPORATION. Mr. B. D. Needham has joined the Board.

*

Mr. Manuel Alvarez has been appointed secretary of GEC-MARCONI ELECTRONICS and continues to be responsible for the legal affairs of that group.

*

Mr. P. L. Lockton has been appointed commercial director of PARSONS PEEBLES MOTORS AND GENERATORS (Reyrolle Parsons Group) in addition to his present position of deputy managing director. Mr. Lockton was previously general manager of the company's Birmingham factory and will be moving to head office, Edinburgh. He succeeds Mr. P. N. Davis whose appointment as managing director designate of Parsons Peebles Power Transformers was announced recently.

*

Following the retirement of Mr. John Richardson as joint general manager and secretary, Mr. Herbert R. Walden takes over the sole chief executive appointment as general manager and secretary of HEART OF ENGLAND BUILDING SOCIETY on March 1. Mr. Richardson will continue as a director.

*

Dr. Jean A. Crockett, Professor of Finance at the University of Pennsylvania, has been elected to the Board of PENNWALT CORPORATION, of the U.S. She is the first woman member of Pennwalt's Board.

PARLIAMENT

A grudging welcome for £220m. measures

Healey pacifies Left wing

BY PHILIP RAWSTORNE

"Some reasonable looking bricks out of a limited amount of straw"—Mr. Maurice Macmillan's view of the Chancellor's latest package of measures to alleviate unemployment was widely shared in the Commons yesterday.

The net effect of the measures would be to provide some 70,000 jobs at a cost of £60m. over the coming year, Mr. Denis Healey announced.

"I am convinced that this . . . is the most cost-effective way of providing more jobs as quickly as possible and of improving our industrial capacity," he declared.

That is, without a general reflation of domestic demand and within the limits on public spending necessary to achieve stable prices and steady growth in the upturn which he confidently predicted was coming.

The Chancellor raised no cheers—but he appeared more than satisfied with the generally grudging welcome.

Sir Geoffrey Howe, his Conservative "shadow," in fact, commended him heartily for once again resisting the clamour of the Left-wing. And after that found some difficulty in making any sharp political point about the manner in which Mr. Healey had acted.

But even Labour's Left reacted with unusual mildness yesterday. "It is much better than some of us expected," Mr. Eric Heffer admitted, before sternly warning the Chancellor that it was not enough.

"I do feel I have gone as far as I sensibly can at this time," Mr. Healey replied. Certainly, it would be disastrous to have gone as far as the import controls being demanded by a "grossly misjudged" economic paper produced by "some junior officials" at the Labour Party's headquarters.

Mrs. Judith Hart, endorsing the Left's qualified welcome, suggested that the "considerable economic authority" behind the Transport House paper should at least persuade the Chancellor to keep an open mind about import controls.

"I never close my mind to anything," said Mr. Healey. "But one should never keep one's mind too open or a whole lot of rubbish will be thrown into it."

"You are far more likely to receive rubbish from the City than from Labour Party pamphlets," retorted Mr. Bob Cryer as the lukewarm Left rapidly cooled.

Pairing storm over defeat

By Justin Long, Parliamentary Correspondent

SUGGESTIONS that the Government's division defeat earlier this week arose because the Opposition failed to observe an agreement over voting procedures sparked off a bitter row in the Commons last night between Mr. Edward Short, Leader of the House, and Tory Party front benchers.

The storm burst over Mr. Short almost immediately after he had announced that the Chrysler policy motion lost by the Government would be re-debated next Tuesday.

At this point he began taking the Opposition to task, particularly Mr. Humphrey Atkins, the Tory Chief Whip, on the need to stick to agreements made between the major parties on arrangements whereby MPs could "pair" and be absent from divisions.

With the Tories still unsure of the reason for Mr. Short's disapproval, he reminded them of an agreement made in 1965 when he was Chief Whip of the Labour Opposition and Mr. William Whitelaw was Chief Whip of the then Tory Government.

If the Opposition meant to abrogate that agreement on pairing—an arrangement to help obviate bringing sick MPs to the House to vote—then, said Mr. Short, he would feel free to operate a further clause of the 1965 memorandum between the parties which would allow for a system of proxy voting.

Indignant

At this, Mr. John Peyton, the Opposition "shadow" Leader of the House, jumped up to call for a clarification of Mr. Short's statement.

As Mr. Short contended that the 1965 agreement was still in force, Mr. Whitelaw broke indignantly into the exchanges, as his name had been introduced, he, too, wanted to know more. So did Mr. Atkins, who pointed out that he had not been Chief Whip when the original agreement was made.

With the supporters of both sides shouting encouragement, the Speaker called for order.

Mr. Whitelaw, flushed and indignant, maintained that any agreement he and Mr. Short had reached could not be binding on a future Parliament.

Mr. Bob Mellish, the Government Chief Whip, drawn into the row, agreed that he had been informed by the Opposition Whips that they did not regard the 10-year-old arrangement as still being in force. "So I had no alternative but to accept that," said Mr. Mellish.

The noise from the Tories indicated their conviction that this acknowledgement entirely cut the ground from under Mr. Short's feet.

"Withdraw! Withdraw!" they shouted, and Mr. Whitelaw, claiming that his honour had been impugned, demanded an apology from Mr. Short.

Mr. Short declared that the last thing of which he would wish to accuse Mr. Whitelaw was dishonourable conduct, and the Speaker declared the exchanges closed. But they clearly did not dispose of a new, embittered relationship between the whips of the two main parties.

Without reflation . . . the quickest way of providing more jobs

WHEREVER possible, the Government had been concerned to ensure that measures to reduce unemployment in the short term should also reduce constraints on growth and employment in the medium term when recovery reached its peak, Mr. Denis Healey, Chancellor of the Exchequer, told the Commons yesterday.

Outlining his jobs package to MPs, Mr. Healey said he had examined with the Secretary for Industry (Mr. Varley) the scope for improving the industrial base by further expenditure under Section 8 of the Industry Act on schemes for the modernisation and restructuring of important sectors of industry.

The £110m. already earmarked for such schemes was now largely committed, but he was to allocate a further £55m. for new schemes such as printing machinery and non-ferrous foundries.

Further funds would be made available for existing schemes, particularly ferrous foundries. Some £15m.-£20m. of this would be spent in the next fiscal year.

The Development Commission had said it could usefully spend £1m. more than the additional sum allocated to it last September for building small factories in rural areas during the next 12 months or so.

"I am authorising this expenditure since I recognise that unemployment has affected some rural areas with particular severity."

Mr. Healey said the National Enterprise Board was discussing tools expected to be needed during the recovery.

Bargain

"The intention is to devise arrangements which will be a good bargain for the NEB and for the industry and will help to maintain capacity and provide employment during the remaining months of the recession."

One of the worst-hit sectors in the recession had been the construction industry. The Government had provided it with some extra work in the public sector in the past two years.

But he had to make sure that there was no risk of expenditure slipping into future years when public spending must be contained so as to permit the movement of resources into exports and investment.

"We have decided, therefore, to concentrate on the improvement of public sector housing, which can be started quickly and finished before the end of the financial year 1976-77."

Mr. Healey said: "We propose to provide £50m. for such house improvement, where the effect on employment and the social benefit will be greater than in any other field of construction."

He said the length of the period of payment of the temporary employment subsidy would be extended—the first firms to use it would very soon exhaust their six-month entitlement. The maximum period of entitlement would be extended from six to 12 months. This meant the 55,000 jobs affected might be preserved for a further period.

Subsidy

Mr. Healey continued: "I propose to reduce the minimum size of a qualifying redundancy again, from 25 to 10 workers. This is estimated to bring a further 3,000 or so workers within the scope of the scheme.

The gross Exchequer cost of extending the period of payment is estimated at £14.5m., and the cost of reducing the minimum qualifying redundancy at £1.5m.

He went on: "There will be savings in unemployment benefit and gains in National Insurance Contributions and Income tax; these will depend on the circumstances of the workers covered by the subsidy, but in aggregate they are likely to mean that the subsidy will have little or no net effect on the public sector borrowing requirement."

Mr. Healey turned to the recruitment subsidy for school leavers through which employers who recruit unemployed school leavers receive £5 per recruit per week for 26 weeks. The scheme is at present limited to those who left school last summer or before.

"I propose that it should now be extended to those who left at Christmas, 1975. The cost of this will be about £250,000.

He said: "The Manpower Services Commission has been considering what more it could do to employ and train those who would otherwise be out of work.

"It has proposed an extension to its scheme for job creation. So far, £40m. has been allocated to this programme, which should provide 30,000 to 35,000 jobs. If proposals continue to come in at the present rate, the whole of that £40m. will have been preempted by bids received by about the end of April, and approved by the end of June.

"The scheme would thus begin to taper off in the autumn, just when there is a particular need to provide extra jobs for those of next summer's school leavers who fail to find other work."

Mr. Healey announced: "We have decided to allocate a further £30m. to the programme, as the Commission proposed, to keep it going at peak level until the end of the year."

Mr. Healey said: "This extension should permit the creation of some 20,000 to 25,000 extra temporary jobs. The net effect on public sector borrowing requirement will be small.

"As well as these measures to provide jobs in the immediate future, we must do everything possible to build up the scarce skills which will be in demand when the economy is running nearer to full capacity.

The Manpower Services Commission has put forward proposals to provide, from next August, some 30,000 to 36,000 extra training places in industry, at a cost of about £55m.

"About £45m. of this applies to new first-year apprentice training, and the rest to second-year apprentices and to other measures including schemes for non-craft training of the kind that the engineering industry is considering.

Offset

"Again the Exchequer cost of this is very largely offset by the savings on benefits for the unemployed. This expenditure will be a valuable addition to the effect which is already going into providing training in industry.

"First-year apprenticeship grants will be available to employers who take on extra apprentices under arrangements to be worked out by the Industrial Training Boards in consultation with the Training Services Agency.

"I greatly welcome the speed with which the Manpower Services Commission has reacted to current needs and I am glad to be able to accept these proposals in full.

"I know the whole House is concerned that we should do everything possible to avoid the demoralising effect of long periods out of work on young people just out of school.

"The further education system should also have a role to play in this field.

Phased

"Therefore I shall be considering with the Secretaries of State for Education and Employment what more can be done to make the best use of the further education system for this purpose during the recession.

"The Secretary of State for Northern Ireland will be announcing the details of a comparable set of measures costing £8m., of which about £5m. will be spent in 1976-77.

"The estimated total cost of all these measures is about £220m. But less than £140m. of this will be spent during the coming financial year.

"The large items of expenditure on training and on industry schemes are phased over the next two or three financial years because training is organised by academic years, and industry schemes are partly financed by interest relief grants which are spread over a period.

"But in both cases, most of their real effect on employment will be felt in the coming year. Because of the offsets which I have mentioned earlier, the net cost to the public finances is likely to be less than half of the gross cost, or about £60m. in 1976-77.

"Altogether the measures are likely to provide about 140,000 jobs or training places—though not all of these jobs will last as long as a year and some may be at the expense of other jobs. Over the coming financial year the net effect on employment could be about half that figure.

"I am convinced that this set of measures is the most cost-effective way of providing more jobs as quickly as possible and of improving our industrial capacity, without a general reflation of domestic demand which is widely recognised to be inappropriate at this time, and within the limits on public spending which we must respect if we are to achieve stable prices and steady growth in the upturn.

"I shall, of course, want to consider in my Budget whether by then there is scope for doing more along the same lines.

MEASURES TO ALLEVIATE UNEMPLOYMENT

£m.	1976-77	Total
Industry		
Industry schemes	18	55
Development Commission	1	1
Construction		
Housing improvement	50	50
MSC Measures		
Training	17	55
TES (Extend)	9½	14½
TES (Reduce minimum from 25-10)	1½	1½
School leaver subsidy (Extend)	½	½
Job creation (to end year)	30	30
Northern Ireland	5	8
TOTAL	132½*	215½*

* No provision is included in these totals in respect of the NEB proposals for machine tool stockbuilding.

Wilson defends his use of honours system

BY JOHN HUNT

MR. HAROLD WILSON strongly defended his use of the honours system when he came under criticism by a Conservative MP and some sniping from Labour backbenchers in the Commons yesterday over the way in which patronage had been used.

The exchanges followed the allegations in the Commons last week by Mr. William Hamilton (Lab., Central Fife) that the Prime Minister fondled his patronage like "a bridegroom fondles his bride." Mr. Hamilton had alleged that Mr. Wilson gave honours to his friends and relatives "and to the raincoat sellers" and said that he personally found this "intensely corrupting."

Yesterday, Mr Wilson told Mr. Michael McNair-Wilson (C., Newbury) that he was satisfied with the system for the submission of names to the honours list.

Mr. McNair-Wilson then claimed that there was a widespread belief that the present system was selective and "dominated by Prime Ministerial patronage and departmental lobbying."

"In the interests of open government, it would be a good idea for the system and how it works to be made more public for all to see," he suggested.

The Prime Minister replied that he was aware that allegations had been made in the House recently that the honours system had been used for conditioning the votes of MPs. But he added drily: "I have not noticed it."

In the seven and a half years in which he had been Prime Minister, six knighthoods had been conferred on MPs compared with 57 during the last seven and a half years of Conservative government.

Mr. John Watkinson (Lab., Gloucestershire W.) said that while Labour MPs welcomed the ending of honours for political and party services, many of them still felt that there might be a place for a more independent approach to the consideration of honours.

The Prime Minister explained that when, in 1966, the Labour Government had decided to stop the system of political honours, it had provided that a similar number of honours should be recommended for services to local government irrespective of party. After that decision, honours were given impartially and on merit. About one-third of the honours awarded in respect of local government had gone to Conservatives and Liberals.

Next week's business

Commons debates next week are:

MONDAY: Road Traffic (Drivers' Ages and Hours of Work) Bill, Fair Employment (Northern Ireland) Bill, second readings; motion on the Treatment of Offenders (Northern Ireland) order.

TUESDAY: Motion on Government defeat after motor industry debate: Trustee Savings Banks Bill second reading; motion on EEC documents on nuclear safety.

WEDNESDAY: Water Charges Bill, rmg. stages; motion on the Counter-Inflation (Price Code) (Amendment) order.

THURSDAY: Debate on the fishing industry.

FRIDAY: Private Members' Bills.

Howe welcomes training moves

Sir Geoffrey Howe, "Shadow" Chancellor, commended the Chancellor for not going for general reflation, and urged him to continue in that in the "long and testing times" still to come.

He welcomed the sums for improving facilities for training and retraining.

He asked what the net cost was to public funds of the measures which the Chancellor had announced since his Budget statement last year.

He also asked: "What is the total number of jobs actually saved or created by all the measures announced since the Budget?"

Sir Geoffrey said: "Whatever that figure may be, it will be far smaller than the number of jobs destroyed by the policies followed by this Government since they came into office."

All of these measures including the huge increases in public spending which were helping to destroy jobs were supported by the "so-called moderate members opposite," he said.

Mr. Healey said the net cost to public funds since last year's Budget was something like £100m. in the coming financial year.

The measures announced since the last Budget to create or save jobs would ultimately save something like 150,000 jobs.

Mr. Norman Atkinson (Lab. Tottenham) said the whole question of stockpiling should be extended beyond machine tools into heavy engineering.

He accused the Chancellor of making a "puff-like, will o' the wisp" statement and claimed the measures would go "no way towards the jobs you are misleading the House you have undertaken."

Mr. Healey replied that he had previously announced stockpiling of steel worth more than £70m. and by the National Coal Board of more than £100m.

"We are considering with other industries extending the scope of such stockpiling schemes."

Mr. Peter Walker (C. Worcester) said there would be disappointment in the West Midlands "who are being discriminated against although unemployment has trebled in the last two years."

Mr. John Pardoe (L., Cornwall N.) said: "Waiting, as strategy, for the world upturn to put the British people back to work is no longer credible. Will you enter into effective negotiations with the trade unions to barter a really effective package for job creation and selective reflation—not general reflation, but selective reflation—against a much tougher incomes policy from next August?"

Mr. Healey said reflation of domestic demand could not result in increased employment for at least a year.

Mr. Eric Heffer (Lab., Walton) former Minister of State for Industry, said: "This is much better than some of us expected. But it is clear that it is not going to be enough to begin to deal with the serious problems that we have."

He urged Mr. Healey to "again reconsider your attitude to import controls and again boost . . . the construction industry."

Mr. Healey said "I have gone as far as I can successfully and effectively at this time with these type of measures." Selective measures would affect unemployment in the short term.

Mr. Healey said: "I do ask Mr. Heffer to recognise that import controls on the scale recommended by a junior official at Transport House would certainly lead to massive retaliation from which world trade as a whole would suffer and the poorer countries of the world would suffer most of all.

"The calculations I have seen quoted in the newspapers as to the employment effect are grossly exaggerated."

Mrs. Judith Hart (Lab., Lanark) told Mr. Healey the Transport House paper had considerable economic authority behind it and asked him not to refer to it as merely a paper produced by junior officials.

She said: "Do not close your mind to a medium term strategy of import controls. There are two arguments about retaliation." Mr. Healey retorted: "I never close my mind to anything."

Jenkins clears officials over figures error

HOME OFFICE officials concerned with the recent incorrect immigration figures were cleared of blame by Mr. Roy Jenkins, Home Secretary in the Commons yesterday.

He said: "I have found no evidence that the officials concerned behaved discreditably or in such a way as to justify disciplinary action."

Inside the packa[ge]

● EMPLOYMENT

THE PRIME need of the economy once the present recession ends will be to avoid the kind of shortages of skilled manpower and plant capacity that have regularly led to bottlenecks at one stage or another in previous booms. It therefore makes both economic and social sense to concentrate as far as possible whatever counter-unemployment measures are implemented during the recession on these two requirements and this, up to a point, the Government has so far managed to do.

The measures the Chancellor has now announced in his last Budget and since to help reduce unemployment will in all cost the Exchequer about £580m. gross. Of that sum, about two-thirds is or will be devoted to what one might describe as strengthening Britain's industrial base, either by stimulating additional industrial investment and modernisation (about £250m. to £260m.) or by subsidising an increase in industrial training (£130m. to £135m.), while less than a fifth (£105m. to £110m.) is being spent on creating jobs for the unemployed or on preserving the jobs of those who would otherwise become redundant.

Yesterday's measures somewhat tilted the balance the other way—with some £46m. gross going on more job creation or preservation against an extra £55m. for training and £56m. for investment. But the response to the Government's "accelerated investment projects" scheme has so far—and not unexpectedly—been disappointing. On the other hand, the Government has ignored the TUC's proposal that the temporary unemployment subsidy be doubled to £20 a week, which would have made this scheme far more attractive to employers—and added considerably to both its gross and net cost to the Exchequer.

What it has done is double to 12 months the period during which the £10 weekly subsidy will be paid and reduce the minimum qualifying level of redundancy from 25 to 10 or more workers. This is the second reduction in the qualifying level since the scheme, which now covers the whole of Britain, was introduced six months ago and is expected to raise by 3,000 to about 58,000 the number of jobs which may be—temporarily—preserved by the scheme. So far a total of 221 applications covering 24,314 workers has been sent in, seven have been rejected and 164, covering just over 17,500 jobs, have been approved.

From the Government's point of view the scheme has considerable attraction. At a cost of about £550 a job gross—and (after allowing for tax, unemployment benefit, redundancy fund, and other social security payments) probably hardly anything at all net—it is also relatively cheap. But industry has yet to be persuaded that it has any real economic merit.

There are also s[…] tions about the sch[…] cruitment subsidy, […] haps to a lesser […] scheme has obvious […] tions. Not only is u[…] proportionately hi[…] teenagers, but it[…] psychological effe[…] especially harmful. […] £5 a week for emplo[…] on unemployed sch[…] at least six months, […] too, is relatively […] operate. But no[…] Government has […] end-February closi[…] to include Chris[…] leavers who are st[…] job, it risks encour[…] expect a similar mo[…] the summer and th[…] tendency by some […] delay their autum[…] until that happen[…]

On the other han[…] ment's main eff[…] school-leavers com[…] creation programm[…] ping up apprentice[…] forms of formal […] young people. So […] creation scheme […] some 9,000 tempo[…] various communit[…] a cost of just over […] now expected t[…] ultimate 50,000-60,[…] for a gross cost of […] £45m. is now to be […] year apprentice […] August and anoth[…] safeguarding the […] second-year appr[…]

● INVESTMENT

"WE'VE FINALLY found the Whitehall equivalent of the Bank of England's tapstock which can be turned on or off at will," commented one official on the Government's latest policy of selective industry investment assistance doled out in regular dollops.

His pleasure was more than just territorial. It is easy enough to be cynical about all Government attempts to change the course of industry investment decisions, most of all when introduced under the umbrella of aiding employment as happened yesterday. The truth is that the kind of industry modernisation schemes which the Government is now pursuing are medium to long-term in impact, however tight the schedule placed on them for the actual decision to be made. The money will not really be spent until next year and the year after. The impact on employment is likely to be fairly minimal in the immediate future and, even when the extra spending does start to make an impact later on, it stands the chance of developing at a time when the economic revival sweeps everything else along in any case.

But, in this form of Industry Act assistance to industries to modernise their equipment and rationalise their production, together with the more recent introduction of interest relief grants for manufacturing companies bringing forward new investment, the Government feels it has found a form of selective assistance which is proving its worth in cost-effectiveness and in counter-cyclical investment.

Although slow to get off the ground, the industry schemes—the £18m. wool textiles scheme introduced under the Conservatives, which ran out at the end of last year, and the £20m. machine tools, £20m. clothing and £25m. ferrous foundry schemes introduced last year—have all proved highly successful in the rate of applications from industry, in contrast to the relatively low interest shown in the more general regional grant offers.

The wool textiles scheme had to be extended last year from £15 to £18m. because of the demand, and discussions are still continuing over whether it should be revived this year. More than 60 companies have applied to the Department of Industry's Manchester office for clothing industry grants, while ten applications have been received for £3.8m. of the machine tool assistance and a further 30 companies are having discussions with a view to applying.

The ferrous foundries scheme—an especially important one in view of the industry's role in supplying manufacturing industry and its position, therefore, in any economic revival—has done even better, with over 90 applications for £14.5m. of grants and six applications already approved.

The additional £55m. offered by the Government yesterday will bring the total offered in this form of assistance to nearly £140m. Although the Chancellor was not too precise about the direction of the latest offer, the Department of Industry appears to be planning to raise the total available for the ferrous industry by a further £15m. and to offer some £20m. in a new scheme for the non-ferrous foundries and possibly £18-£20m. […]ing industry.

The overall fig[…] large when comp[…] manufacturing inv[…] are they likely […] reverse the declin[…] the industry con[…] are generally the[…] But leaving asid[…] needs of the indiv[…] the grants, which […] bringing in invest[…] of three to four po[…] pound of Governm[…] have a very much […] tial impact.

The Nationa[…] Development Offic[…] has recently calc[…] ferrous foundry […] need to invest on a[…] £68m. a year th[…] mainder of this d[…] modernise. On th[…] response so far, th[…] scheme may bring […] this or more. Re[…] the non-ferrous fo[…] have, equally, sh[…] U.K. industry la[…] competitors in te[…] portion of its outp[…] high-pressure me[…] investment may […] ordinary circums[…] fragmented state […] and low profit le[…] printing machine[…] clearly been ti[…] period when n[…] general printers […] a hard look at […] logy, but agains[…] of a declining m[…]

It is this kind […] tance and tim[…] Industry Departr[…] to build on, eve[…] amount of its […] those who may w[…] themselves witho[…]

Adria[…]

● MACHINE TOOLS

WITH THE lowest order books for 20 years, short-time working and redundancies, Britain's machine tool industry badly needs a life-belt. Whether the Chancellor is throwing it something with sufficient floatation remains in doubt until more details of the Government's plans emerge.

Mr. Denis Healey has only promised that the National Enterprise Board will discuss finance for stock-piling of machine tools with the industry. It remains to be seen to what extent the Government will commit funds to such an exercise. And, if so, whether it will be carried on broadly enough and for long enough to help the industry out of its present recession and into a sound position so that it can cope with the next cyclical upswing in demand.

The Government has already flirted with the concept of protecting key industries against adverse trade cycles to the extent of the Treasury agreeing to finance some of the British Steel Corporation's semi-finished production put into stock. The National Coal Board is hopeful that its current arrangements of stocking coal at power stations and steel mills (to be paid for when used) will also be financed by the Government.

Clearly it is one thing to finance stocks of bulk steel and coal, and quite another to finance a stock-pile of sophisticated machine tools representative of the industry's production range. Arriving at a workable system should be a refreshing challenge for the NEB and a diversion from the continuing problems of the industries under its wing.

The fact that the Board has been asked to tackle the job rather than the machine tool industry's sponsoring industry, the Department of Industry (which has been working on possible assistance schemes for machine tools) is yet another point for speculation. The Department of Industry would have appeared to be the logical choice or, alternatively, the job could have been given to the appropriate "little Neddy." The Government may have been influenced by the clear desire of the TUC to see the NEB enjoying a wider role. It is known that the TUC, at one point, pressed for the NEB to handle steel stockpiling.

As the NEB gets down to its task it may find an appropriate starting point for the stockpiling scheme in the Whitehall files. The Industrial Reorganisation Corporation, created by the Labour Government in the 1960s with a brief not dissimilar to that given the NEB, once worked out an elaborate scheme for financing the purchase of machine tools. But it was not adopted.

Although the machine tool manufacturers achieved a 50 per cent. increase in the value of exports last year compared with 1974, the rate of new orders has recently been falling sharply. The machine tool industry is a notorious sufferer from the demand cycle and has many times made representations to successive Governments for special help in the form of a counter-cyclical scheme. Recently Mr. Derek Hartle[…] chief executive o[…] nery Internationa[…] plan for the stab[…] industry in whic[…] the setting up o[…] and selling ag[…] machine tool ma[…] suggested the […] Machine Tool Sta[…] and that the age[…] and stock the in[…] production. Prod[…] able to buy the[…] from stock as or[…] Mr. Hartle calcula[…] in any one year […] up to £25m.; the […] annual turnover c[…]

Last June the G[…] forward a tentati[…] scheme of its ow[…] of a discussion p[…] Department of I[…] industry's "little […] details were no[…] became clear th[…] ment was explo[…] financing the ind[…] manner that it co[…] produce compet[…] the whole rang[…] machine tool t[…] avoid the most d[…] of the demand cy[…]

There is thus […] research and pla[…] to the NEB from […] ment and indust[…] assist it in formul[…] scheme. The ma[…] among the machi[…] is going to be th[…] ment's chosen i[…] NEB, is itself qu[…] perience in the […] problems of the i[…]

F[…]

● CONSTRUCTION

THE CONSTRUCTION industry last night found it difficult to hide its disappointment at the scale of the measures announced by Mr. Healey. The aid extended to it basically amounts to a £1m. programme for building small factory units in rural areas and the provision of £50m. for improving local authority housing. The work is to be carried out by the end of 1976-77 and will be "started quickly." The extra cash comes on top of the already announced allocation of £260m. to be spent in the year ending April, 1977.

Few people in the industry had in any case been expecting that there would be any major attempt by the Chancellor to put the construction sector back on its feet, and most believe that the package will prove virtually insignificant.

Theb uilding and civil engineering industry is now facing its most acute demand crisis since the 1930s, with unemployment now over 200,000 (and nearer 250,000 when workers in associated trades are taken into account). During normal periods of activity, the workforce is estimated at about 1.25m.

Last year, overall output was 6 per cent. down on the 1974 level, which itself was 10 per cent. below the outturn for the previous 12 months. This year, a further overall decline of around 2 per cent. is generally expected, with no upturn seen until 1978. All sectors have been hit by the recession, with housing escaping most lightly and commercial and industrial construction work faring particularly badly.

Mr. Healey's latest measures were preceded by help in November last year when he announced a £32m. programme to cut construction industry unemployment. All the work resulting from that was to be completed by the end of 1976-77. Sectors covered were housing, the National Health Service, and education.

The industry's reaction last night was, predictably much the same as in November. Mr. Ernest Smith, president of the National Federation of B[…] Employers, said t[…] assistance for the […] welcomed, the C[…] not gone anywh[…] enough to bring a […] ficant changes in […] outlook.

The NFBTE po[…] construction w[…] shouldering a ma[…] of the country's […] burden. It was […] quieting" that h[…] limited to the sca[…] of the measures […] yesterday's annou[…]

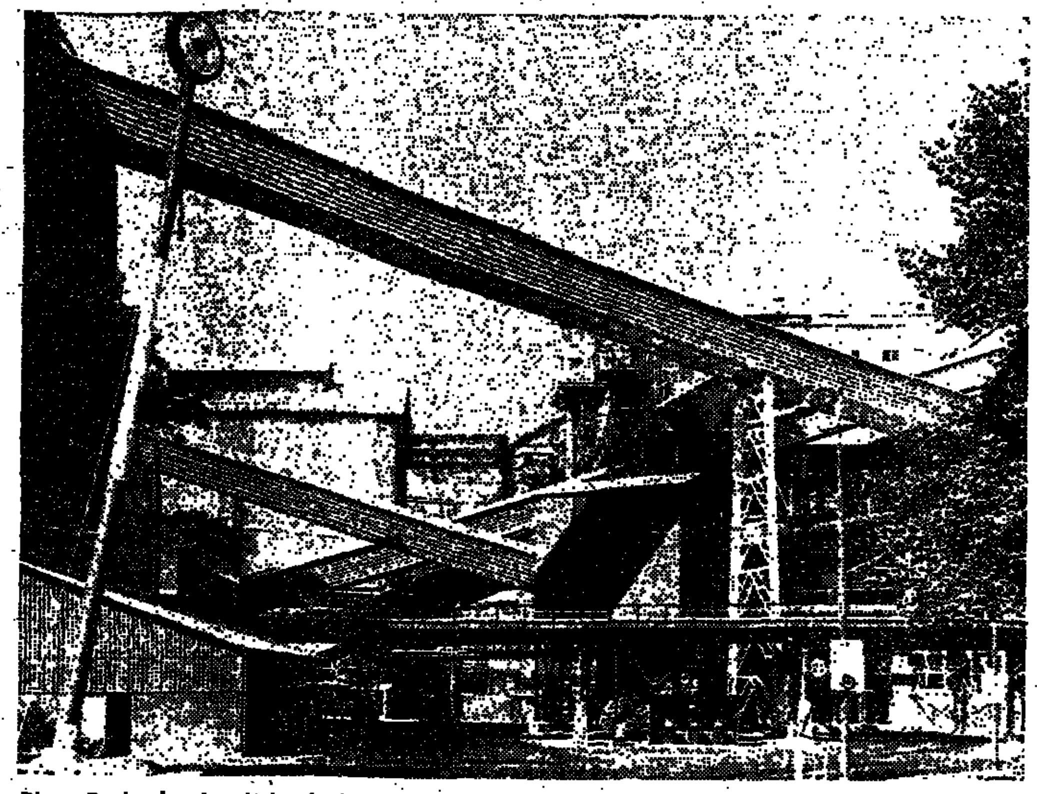
Apart from the […] order and outp[…] builders are becon[…] cerned about the […] recession will h[…] ability to cope w[…] upturn, a point re[…] underlined in a r[…] Building and Civi[…] Economic Devel[…] mittees. A […] weakened industry […] find it hard to c[…] substantial incre[…] levels, was in pro[…]

Mich[…]

The Executive's World

Rupert Cornwell, in Paris, outlines the series of events which have pushed the world's ninth largest chemicals company heavily into the red

Trouble at Rhone-Poulenc



Rhone-Poulenc's mineral chemicals plant, at La Madeleine, which produces such products as phosphoric and nitric acid.

GOOD thing about a that at least you find 'e your real weaknesses e chairman of one of biggest companies philosophically the y.

-Poulenc would doubt- in sad agreement. Just ago the world's ninth chemical group was ng record 1974 profits : Frs.1bn. (£110m.) ias just reported a 1975 Frs.800m. (£88m.)— ould have been worse tax credits — while ontemplating the wreck- ie of the most dramatic om upheavals seen in or years. The manage- ike-out was only in part quence of the poor f last year, but both in parate ways illustrate rong at Rhone-Poulenc.

ustrial blems

ndustrial problems are ain degree those of all opean chemical majors ession, magnified of by the particular ice of Rhone-Poulenc , the worst hit area of lly depressed sector.

no coincidence that iree big lossmakers— ontedison and Rhone- — are all deeply in textiles, and the company claims that if re left aside its per- e does not compare too ith those of its profit- als like ICI, or the big three groups. nately, though, fibres for 28 per cent. of sales, 30 per cent. if certain n activities are in- and 1975's falls in and output are largely ble for the 13 per cent. in turnover last year to 5bn. (£1.9bn.).

isiness terms, matters he mend, albeit slowly. prices are edging up- nd October saw the first monthly rise in turnover in a year. November was dreadful, but there was recovery anew in December and apparently in January too. Were things that simple, the Rhone-Poulenc chairman, M. Renaud Gillet, would probably be able to resolve to speed up diversification from fibres and hope that promises of a better 1976 come true.

Alas, they are not. To put a figure on it is impossible but 1975's losses were undeniably added to by the simmering problems at the summit of the group which exploded into public view in November. Such was the bickering and feuding between the various cliques in Rhone-Poulenc's upper echelons that day-to-day management in the most difficult times was seriously impaired.

The story proper begins in 1969 when France, not unlike the U.K., started the reorganisation of the chemicals and metals sectors that was to lead to the country's three largest private groups to-day: Pechiney-Ugine-Kuhlmann, Saint-Gobain-Pont-a-Mousson and Rhone-Poulenc. That year, by taking control of the petrochemicals specialist Pechiney-Saint-Gobain and another chemical group Progil, Rhone-Poulenc boosted its sales from Frs.6bn. to Frs.10bn.

Despite the newcomers nothing really changed under M. Gillet's predecessor, the former Finance Minister, M. Wilfrid Baumgartner. "It was just a number of companies, side-by-side, who often competed against each other," says a Rhone-Poulenc director to-day. The company Board read like a page of Who's Who and its affairs gently prospered.

M. Gillet, a 62-year-old Lyonnais whose family is believed to own 10 to 15 per cent. of Rhone-Poulenc's capital, took over in 1973 and within weeks had started the overhaul which lies behind to-day's mess. Instead of the old format, whereby Rhone-Poulenc SA was a mere financial umbrella for a set of virtual fiefdoms, M. Gillet wanted a streamlined and properly integrated structure and called in the management consultants, McKinseys.

The U.S. team came up with the answer of a collegial system under which the group was run by an eight-man executive committee with the president as *primus inter pares*. The hotch-potch of subsidiaries was reordered into eight operational divisions covering the main sectors of Rhone-Poulenc's business: petrochemicals, textiles and so on. As M. Gillet put it, the aim was at the same time to decentralise and improve the group's cohesion. Tensions quickly followed, although the boom year of 1974 kept them under wraps.

Last year, however, the chickens came home to roost with a vengeance. The old guard in their strongholds fought off the new challenge to their authority. M. Roland Rieutort, brought in in 1974 to head the petrochemical side from Mobil Oil, left the executive committee and the group, literally broken by the strain of fighting the entrenched barons of Progil and PSG.

Similar pressure

Another committee man, M. Paul Jean, faced similar pressure and stepped down. Finally came the inevitable face-off between M. Gillet and his No. 2, managing director M. Jean-Claude Achille, once seen as the dauphin of Baumgartner but whose relations with the new president had steadily worsened. In November, 1975, M. Achille was kicked upstairs to the largely honorary post of vice-president.

So, just two years after it was unveiled to an admiring Press, the executive committee is in tatters. The three vacancies have not been filled. Rhone-Poulenc is still without a managing director and M. Gillet stands almost alone, having staked his reputation and quite possibly his job on what happens over the next few months.

Nor have events done anything to improve the image of McKinsey, although the group is still soldiering on with the scheme and the agency. The collegial system so carefully fostered has proved a fair weather device incapable—at least with its original participants—of withstanding the strains of recession.

No one denies that the "Soviet praesidium," as it has been wryly called, is dead in fact if not in theory for the time being. M. Gillet is in no hurry to find a replacement for M. Achille, and is running things very much himself.

As if any further troubles were needed, the dismal showing in 1975 has prompted fears over its financial position: in part it must be said after M. Gillet's remark that indebtedness had been increased by Frs.2bn. last year, to keep up essential investment programmes.

Liquidity all right

By most conventional yardsticks, Rhone-Poulenc can stand the strain. "Our liquidity position is absolutely all right," a director said. At the end of 1974, Rhone-Poulenc claims, the ratio of debt to capital and reserves was a respectable 0.56, compared with ICI's 0.50, but below the industry average of 0.69. Things are obviously worse now, but the likely end- 1975 position of 0.85 to 1.00 should not be far from the norm.

Nonetheless, cutbacks have been made. Investments were slashed 15 per cent. last year and further reductions are scheduled for 1976. Under French law the group has been unable to trim its 120,000 workforce as it might have liked and the unsatisfactory alternative has been shorter hours. Managerial salaries have been cut by 10 per cent. or more. In the meantime, a deal with Nobel Bozel in the fibre panelling field has provided a welcome injection of funds.

In the longer term, assuming an end to the bloodletting and a reasonable recovery, things look better. Logically, Rhone-Poulenc stands to reap the reward of its recent heavy investments—whose financing costs have been largely behind the weakening of the group's cash position. Such spending has represented 14.4 per cent. of turnover of the past five years—against 8.8 per cent. for ICI and an industry average of around 12 per cent., according to figures here.

Then there is the simple fact which lies at the heart of to-day's mess: that the group has never really functioned as such. "Once everyone starts pulling in the same direction, there's so much room for rationalisation," a top man said. "It'll take time but the scope is there." That, though, is begging the great question right now.

Fiat on the energy road

The Italian car maker's new research director talks to **David Fishlock**, Science Editor, of a re-focusing of central effort

PROFESSOR LUCIO Businaro admits that he was taken by surprise when, just after Christmas, he was invited to become director of the Fiat Research Centre just outside Turin. A nuclear engineer of 47, with a finely tuned sense of humour, he has been with Fiat for nearly 20 years, the last four in charge of planning at the laboratories. Last month he took charge of a brand new research centre at Orbassano, a staff of 1,700 and a budget of about £20m. a year.

With the retirement of its former director of research, Fiat reorganised its central research, accounting for about one-quarter of Fiat's total technical effort. As befits a manufacturer which sees its future more as an energy systems company than just a car maker, it re-focused the central effort on long-term development programmes—looking up to ten years ahead—and on "special assistance" for the operating divisions.

But it freed research from the day-to-day pressures of the operating divisions for help with trouble-shooting by transferring all research or development associated with current models—from emission control systems to styling—to the divisions. As a result, its complement was cut from 2,700. But it retained the freedom to dream up a new engine or new kind of vehicle.

Professor Businaro cheerfully confesses that there has been plenty of criticism in the past about the central research effort. "There have even been those who said 'abandon'". Part of the trouble, he says, was that it was getting too close to the problems of the operating divisions. Under the new regime it becomes part of the company's long-range planning operation—his own speciality in recent years. He himself reports directly to Fiat's general manager, though later the laboratories may become a company in their own right.

Professor Businaro sums up Fiat's research philosophy as "know-what" rather than "know-how." The aim is to know what might be needed in new energy systems, and what might become possible through technical progress in 10 years time. But for anyone who fears that Fiat might be growing disillusioned about the motor-car's future, it should be said that two-thirds of its central research effort is still directed at the road vehicle.

The main thrust of Fiat's energy systems research lies in three directions: the road vehicle itself, where the objective is to reduce fuel consumption; the production lines, where the scientists believe there is genuine scope for energy saving; and the possibilities opening for novel products and systems such as windmills, solar boilers, and so on, that might draw widely upon Fiat's experience in aero-engine, nuclear reactor and other advanced technologies. Both solar and wind-driven sources of power are known to be feasible, says a Fiat research manager, but the question is whether science can reduce their cost.

Fiat, like every other major car maker, is deeply embroiled in the question of whether the internal combustion engine is obsolescent and, if it is going to be supplanted, by what? So it has posed the question: What is the ultimate internal combustion engine? Obviously it will be a compromise between an acceptable fuel consumption and acceptable standards of exhaust emission.

Electronics and its associated sensors will be the "enabling technology" that will stretch the engine's performance (although Fiat admits that the "electronic car" has already slipped a few years into the future, probably to the mid-1980s). Its goal is a micro-processor—miniature computer—programmed to work out for each power stroke how much fuel to inject, so matching power demand precisely to power production.

This means that the computer must constantly and accurately measure such factors as speed, emissions, mass flow, etc. Developing a sensor suitable for the task and also for mass-production can mean a major development effort. For example, it took the laboratories four years to perfect their new mass flow transducer.

Professor Businaro believes that a very sophisticated driver can do for himself what electronics might be expected to do for the car. But the vast majority drive much less efficiently — indeed there is statistical evidence that Italian drivers under urban driving conditions are particularly inefficient. "So we are trying to reproduce electronically the best driving performance." He is pleased with the first tests on experimental "electronic" cars.

A competitive line of research, however, is directed towards the electric road vehicle, where the missing factor is an electrical storage system of adequate capacity and power-to-weight ratio. The quest has taken Fiat much more deeply into electro-chemistry than car-makers would normally venture. One result has been a new kind of battery electrode that behaves like a "fluidised bed"—it consists of fine zinc shot—which the scientists believe could prove a valuable advance in stationary electricity storage systems.

The energy content of a Fiat car has doubled in cost as a result of the oil price increases since 1973, estimates Professor Businaro. At first glance this makes energy conservation in manufacture an attractive target for investigation. But those who run the 100 or so factories of Fiat think that they are already doing a pretty good job of energy conservation. So his researchers have got to make out a strong case.

Ing. A. Campanile, in charge of the energy project, says that, paradoxically, to pinpoint a source of waste may not help, unless the scientists can also show how the energy being wasted might — economically — be put to good use. He instances the charge that a plant's electric motors may be behaving more effectively as heaters than as mechanical converters.

One of his goals is to develop a Fiat model of energy utilisation. The scientists have picked four factories — three assembly plants for refrigerator compressors, cars and tractors, and a foundry — embracing a wide span of the company's activities, and plan to analyse in great detail the flow and the fate of all energy inputs.

The third line of thrust of Fiat's energy research aims to exploit the so-called "benign and renewable" energy sources—principally sunbeams and wind power—in terms of new products or systems. An extra attraction here is the apparent readiness of the Italian Government to fund a new £30m., five-year research programme drafted by the National Research Council in Rome, in an effort to find some ways of speedily reducing the nation's heavy dependence on oil imports. Most of the £30m. will be spent in industry's or university laboratories.

Even a country as sunny as Italy cannot see sunshine competing with fuels at present. Fiat's approach is to explore combinations of solar absorber, heat pump and sophisticated plumbing that might—given high-volume manufacture and assembly of the components—yield competitive solar systems. It is preparing to try out the first of its systems late this year in the roof of the new research centre's canteen.

The scientists are taking a similar approach to windpower where, they contend, there are still some big questions relating to the capital cost that might be achieved by sheer engineering ingenuity. In search of more data they are constructing a windmill with blades 12 metres in diameter, on a vertical axis, designed for peak powers of 30 kW and an average output of 5 kW.

This machine will be tested in the proudest possession of the Fiat research centre—a suite of three new wind tunnels costing £3.5m., which the scientists believe may form the most advanced aerodynamic testing facility to be found anywhere in Europe. They will explore its stability under a wide variety of wind and climatic conditions. Already, however, the more optimistic make sketches showing the electric car owner of the 1980s plugging into his own private windmill for a battery charge.

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FRIDAY, FEBRUARY 13, 1976

An effort to plan ahead

AS FAR BACK as the reign of the first Elizabeth economists can be found recommending public works—even digging holes in the ground—as a useful measure of relief in a time of depression. The idea, centuries before Keynes formalised the notion, was not only to provide some work, but to add to effective demand and so stimulate further employment; so it is a measure of how far we have come, through welfare provisions and inflation, from the old truths that Sir Geoffrey Howe yesterday felt able to congratulate the Chancellor on the fact that his new proposals to put up to 140,000 people to work or training would add so little to demand that they could not be counted as reflationary. Mr. Healey, in underlining the modest net cost of his proposals, effectively claimed the same merit for them.

Off the register

The Chancellor has indeed sought the cheapest available ways to get a reasonable number of people off the unemployment register, although the net gain in employment, like the net cost, is admitted to be only about half what meets the eye, since some of the measures—notably the subsidies for the employment of school leavers—may well displace other workers. However, another merit of the programme, potentially more important than its modest cost, is that job creation for its own sake plays so small a part in it. The Government has sought to make a modest start on manpower planning, and on genuinely contra-cyclical expenditure, which could in time be developed into a valuable contribution to economic management.

One of the most damaging results of three decades of over-full employment has been a persistent shortage of skilled manpower. In a period when unskilled work, often overpaid, was broadly to be had for the asking, workers were perhaps understandably reluctant to go through the low-paid discipline of training: the gain in job security, not to mention job satisfaction, was too distant to counter the attraction of immediate well-paid employment, with every prospect of a change of work should the first choice prove irksome. High unemployment has created an opportunity to tackle this problem, and the stress on training and retraining, at a speed limited mainly by the pace at which the Manpower Services Commission can expand its activities, is welcome.

Only experience, however, will show whether the authorities are concentrating their efforts on the skills the market will need, and the creation of a new pool of skilled labour suggests problems about pay differentials and union membership which have yet to be faced; but these are problems which must be faced and solved if the British economy is to be made more adaptable and productive.

Genuinely short-term

The offer of subsidies to bring forward industrial investment, the acceleration of spending on industrial modernisation, the offer of £50m. for quick public sector housing improvements, and the attempt to launch a scheme for stockpiling machine tools can all be classified under the same contra-cyclical economic heading. These are genuine attempts to get some useful work done while resources are idle—and by getting them done, to avoid bottlenecks in the future. The history of more ambitious attempts to launch contra-cyclical spending programmes is depressing: most have simply resulted in a permanent expansion of the public sector. The present more modest closely-controlled and genuinely short-term projects are a refreshing change in approach.

No dramatic results can be expected from the programme, and none are claimed; and one or two features—notably the subsidy offered for what amounts to labour hoarding—are questionable. On balance, though, the Chancellor has met the understandable demands that he should "do something" sensibly; the case-by-case attempt to put idle men and resources to useful work means that there is at least a chance that most of the money will not be wasted.

An interim solution for Italy

ITALY HAS a Government again—of sorts. Presumably not even its members would argue that it is anything more than an interim affair. The Christian Democrats are being allowed to rule (if that is the word) alone because none of the other parties want to share the responsibility. There will have to be general elections eventually, and indeed by the spring of 1977 at the latest. The hope of those parties which do not wish to participate in Government now, but which have agreed to keep the Christian Democrats in office, must be that by then things will have somehow improved. That must also be the hope, perhaps the only hope, of the Christian Democrats themselves.

Recovery

Economically this is not impossible. Even a weak Government such as Sig. Moro has now formed is better than no Government, as the events of the past five weeks have shown. When the Italians closed the foreign exchange markets and allowed the lira to depreciate, they in fact had no alternative. Given the lack of reserves, it was the only possible course to take. What they needed, however, was a Government to negotiate the loan which will allow the markets to reopen.

There is no great shortage of potential funds. There have already been negotiations for $530m. from the IMF. The West Germans have hinted that they might be prepared to reloan the $500m. which the Bank of Italy prematurely repaid to the Bundesbank last year. Community Finance Ministers will also discuss a possible $1bn. loan when they meet in Brussels next Monday. None of these are necessarily mutually exclusive, though the number of strings attached might vary.

Either way the markets should be able to re-open soon. The policy then must be, and again can only be, to seek the maximum possible gain from devaluation. Some of the advantage has already been eroded by this week's devaluation of the Spanish peseta since, visible trade apart, Spain and Italy compete for tourists. There may be a further erosion if, as looks increasingly possible, there is a general realignment of European exchange rates. Yet a devalued lira, coupled with an upturn in world trade, could still be enough to ensure that the worst of the economic crisis is over.

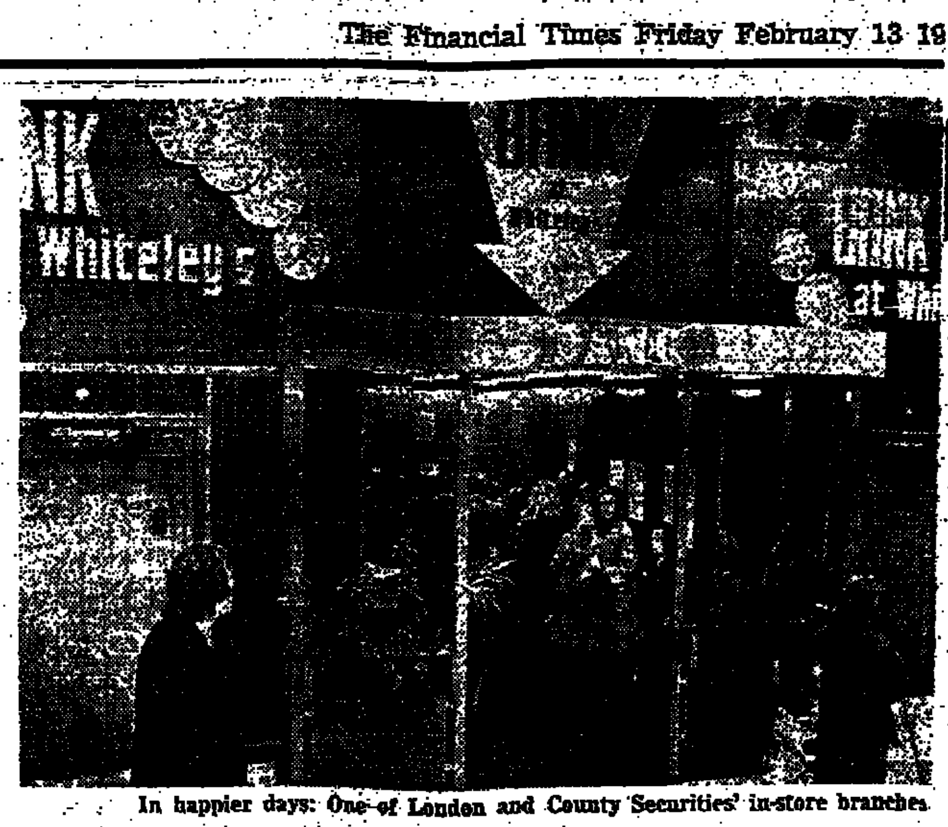
Much, of course, will depend on the trade unions and the level of wage settlements. But even here there are some factors working for stability. Trade union leaders, at least those of them who support the Socialists and Communists, have an interest in not letting the economic situation get any worse, for it is after all the situation which they might inherit after the elections.

Congresses

Meanwhile there is a great deal of political jockeying to be done. The Socialists have their congress early next month, the Christian Democrats shortly afterwards. The dominant theme at both will be changes in political alignments and possible changes in the party leaderships, for the politicians of all parties are now faced by one inescapable fact. The inability of the Christian Democrats to undergo a process of regeneration and the solid strength of the Communist vote mean that some kind of realignment is unavoidable. The precise form it will take may depend on the events and party manoeuvrings of the next few months, and it may yet be a Government of all parties rather than the straight "historic compromise" between Christian Democrats and Communists. The probable Communist participation may be regretted, but it is becoming very difficult to see a convincing alternative.

Government proposals for tighter controls on banking are expected soon. Following the report on the London and County Securities collapse, **Michael Blanden** examines likely areas of reform

A credit-rating for the banks



In happier days: One of London and County Securities' in-store branches.

THE DEPARTMENT of Trade inspectors' report on London and County Securities, the first of the fringe banks to hit trouble in 1973, has highlighted major weaknesses in the then system of supervision of financial institutions. It showed how relatively easy it was for the company to conceal its problems, at least for a time, in its published balance sheets. And it demonstrated the difficulties which arose out of the division of responsibility for banking supervision.

The alarming events in the secondary banking crisis have already brought extensive action by the Bank of England to improve its controls. Having set up the "lifeboat" support operation to protect confidence and help the small depositors in troubled institutions, the Bank has expanded its supervisory department which, under Mr. George Blunden (shortly to be succeeded by Mr. Peter Cooke), now has the advantage of more regular reporting by and more detailed figures from a larger number of deposit-taking institutions. Even the big clearing banks have agreed for the first time to annual consultations with the Bank on their figures.

Not the end of the matter

This, however, will not be the end of the matter. Mr. Peter Shore, the Trade Secretary, has already made it clear that reporting standards are to be tightened up as a result of the L and C situation. More extensive developments in the field of banking supervision will come in the next month or so, when the Government brings out its promised plans for legislation: this could provide a vehicle for the "much stronger regulatory powers" which Mr. Shore argued were needed for secondary banks.

The legislation in itself will be a fundamental innovation for the U.K. For the first time, this country is likely to have some kind of general banking statute controlling the operations of deposit-taking institutions, a move which will probably limit to some extent the flexibility and informality with which the Bank of England prefers to exercise its supervisory powers. Though there will be a chance for the City to debate the proposals (which are expected to be published in the form of a White Paper), some of the implications may not accord with the freedom of action to which financial institutions have been accustomed.

The immediate factor behind the planned legislation is the need for the U.K. to fall in line with EEC proposals for the harmonisation of banking regulation. The main single purpose of the new rules is to require all institutions which take deposits from the public to obtain prior authorisation. But there can be no doubt that the fringe bank crisis, and particularly the events at L and C, *provide an important motive for* introducing more formal controls over banks.

Development new to the U.K.

Prior authorisation—in effect, a licensing system for banks—will in itself be a basic new development in the U.K. At present, Britain is exceptional in the EEC in having no general definition of a bank. Instead, it has a whole series of different ones for various purposes, involving a number of different authorities. It has been made clear that the distinctions between various types of banking recognition mean little to the general public and played a significant part in opening the way for the fringe banks to take advantage of the system.

Some, such as the section 123 and section 127 status under the Companies Act, 1967, involve recognition only for very limited purposes—though many of the fringe "banks" were operating with section 123 certificates only. Others, such as the Inland Revenue's recognition of a company as a bank for the purpose of paying interest gross, are given on a purely technical basis. Among other forms of banking status are, for example, exemption from disclosing true profits *under the Companies Act, 1948*, and, more selectively, authorisation by the Bank of England for foreign exchange activities.

The licensing of deposit-taking institutions will, therefore, be a major step towards a more formal system of banking authorisation. Moreover, it clearly implies other important changes. It will mean further extension of the supervisory activities now carried out by the Bank. It could, for example, imply specific regulation of areas of banking activity such as advertising, on the lines already becoming familiar through the Consumer Credit Act. And, in order to ensure that small depositors are protected against the kind of collapses seen in the past three years, the new legislation could include some form of deposit insurance arrangement, similar to that in the U.S., under which deposit-taking institutions would contribute to a fund to meet claims against any of their number which failed.

The Bank of England's own preferences in the organisation of banking supervision have been made clear a number of times.

The guidelines which it is following in looking at the performance of individual banks have been set out in some detail in its September *Quarterly Bulletin*. These laid particular emphasis on the concept of free capital resources—the equity available after deducting the funds committed to premises and other items of a bank's "infrastructure" — and drew attention also to the importance of liquidity.

At the same time, however, the Bank has stressed the need to keep flexibility and informality in its supervisory activities, and has made it clear that it will not lay down rigid capital or other ratios by which the banks will be judged. It will look at each institution individually rather than set out general rules. Indeed, some areas—such as the proportion of the value of premises of the big clearing banks which will be allowed to count towards their free capital when their 1975 figures are examined—still do not appear to have been clarified.

Mr. Gordon Richardson, the Governor of the Bank, has made his own attitude clear, pointing out in a speech last November, *that the Bank was* "unquestioningly accepted as the institution responsible for banking supervision in the U.K." He hoped, he said, that, within the new statutory framework, it would be possible to preserve the "valuable features of our present philosophy and approach to the supervision of banks." While a clearer definition of the line between banks in the full sense and other deposit-taking institutions was needed a large and costly supervisory operation would not necessarily improve the protection offered.

The Bank's role as the main supervisory authority will no doubt be confirmed under the new legislation. But the emphasis within the new rules and the nature of the supervisory body's responsibilities may still require some adaptation of existing methods.

EEC harmonisation and the fringe bank crisis may provide two of the main motives for new legislation, but there are other *factors at work*. One is the general move in many other countries to improve supervisory methods and to increase the stability of the banking system after the recent domestic and international problems. The debate in the U.S. about the position of some banks and the roles of the various supervisory authorities has highlighted the international nature of the problem.

Protecting depositors

Finally, and perhaps most significantly from the point of view of the legislators, it may be felt that the protection offered to the small depositor in the U.K. has been rather left behind by developments in other fields. It is over 10 years since the last major legislation designed to protect depositors. Since then, there have been substantial developments in consumer protection in other sectors, most notably the Consumer Credit Act and the licensing of lenders now being set in train. While small depositors have not in practice suffered from the fringe banking collapses, the case for new rules is clear.

From all this, three main possible aims for the present and the planned systems of bank *supervision emerge: the main*tenance and improvement of confidence in the banking system, the prevention of another major banking crisis, and better protection for depositors, and particularly for those dealing in small sums. However, there could be differences of emphasis in the importance accorded to each of these, and the methods used to achieve them could take on a variety of forms.

One important aspect should be the flow of information about deposit-taking institutions. With the Bank already requiring improved and more frequent returns, it would be in line with other similar legislation to insist on depositors themselves being given more information than at present. In itself, though, the provision of information may not be enough, since small depositors are not necessarily equipped to judge the stability of institutions in which they are investing.

Striking a balance

Another major point, which may still be open to debate, is the exact balance to be struck between the minimum qualifications required for an institution to take deposits and the amount of subsequent supervision involved. Very high minimum requirements—for example, a substantial capital base—could well cut out a lot of the smaller organisations which might otherwise come forward, and thus reduce the level of supervision required by the authorities. On the other hand, in order not to stifle competition, the basic requirements might be kept low, with the level of supervision needed correspondingly greater.

Again, the question of deposit insurance is likely to raise some argument. The U.S. system provides a good precedent, but it may be felt that the main aim should be the prevention of bank collapse. It may be argued that the individual might be relieved of too much of the responsibility for judging where to put his money.

Any licensing system, moreover, is likely to mean rules to govern circumstances in which permission to take deposits from the public would be withdrawn, as well as, pre*sumably, some form of appeal* procedure—under the Consumer Credit Act, for example, there is a right of appeal from the Office of Fair Trading to the Secretary for Prices and Consumer Protection.

There are, therefore, considerable areas of uncertainty and some important decisions to be made. It m[...] appropriate, as the [...] urged, to retain som[...] discrimination amon[...] types of deposit-taki[...] tions under which ba[...] doubted status—incl[...] example, the clearin[...] would be in a [...] category from other i[...] covered by the regul[...] will probably be nece[...] to decide where the l[...] be drawn over the [...] name "bank" and its [...] an area where th[...] variety of regulation[...] good deal of uncerta[...]

It is likely to [...] nised that person[...] with the institution [...] and the delicate e[...] judging the quality [...] ment is at least as in[...] exercising the super[...] as a more formal s[...] regulations.

The key words [...] Blunden used when [...] his approach early [...] were: flexible, person[...] sive (in the sense [...] should be a scale of [...] tions through which [...] tion passes before [...] with the highest [...] status), and partici[...] there are to be new [...] Bank will also want [...] the "vicarious parti[...] management" whic[...] terises its approach [...] of keeping an eye on [...]

A mixtur[e of] contro[ls]

The end result is [...] likely to be a mixtur[...] and informal contr[...] ever emerges, it [...] recognised that no [...] supervision—neither [...] nor personal cont[...] guarantee the stabi[...] deposit takers. But i[...] possible to avoid a [...] of the free-for-all w[...] the secondary bank [...] the subsequent [...] pressures. And it [...] helpful if the change[...] to a better general u[...] ing of the factors w[...] ence banking confide[...] the implications of [...] one authority—such [...] Government actions [...] tributed to the colla[...] perty values and, indi[...] fringe bank problems [...] sectors of the econo[...]

MEN AND MATTERS

Workers Press: a lost appeal

"I wonder what it will be like to tell the truth, the whole truth and nothing but the truth."

The ranks of the daily Press will be reduced by one after Saturday morning with the disappearance of the seven-year-old *Workers Press*. Since the end of November, the newspaper of the Workers Revolutionary Party (which includes actress Vanessa Redgrave among its leading lights) has been appealing for £50,000 of emergency support. A deadline was initially fixed for February 1, so the paper has been living on borrowed time—and is still £13,000 or £14,000 short, according to editor Alex Mitchell last night.

The Trotskyist WRP, formerly the Socialist Labour League, is also responsible for a weekly called *Keep Left*, the organ of the party's youth wing, the Young Socialists (emphasising the intricacies of left-wing politics, that body is not to be confused with the "official" Labour Party Young Socialists).

Mitchell reported that *Keep Left* is to close as well. But to keep at bay what he predictably described as "bowler hatted liquidators," Plough Press, the South London company which prints the two papers, is not folding up abruptly, and all creditors, employees and suppliers will be paid in full.

The WP employs some 15 journalists and 25 printers, who are all paid national minimum rates, though Mitchell paid tribute to the employees' "considerable sacrifices since the inception of the paper." The 33-year-old editor, who intersperses writing with political speech-making said that other journalists often asked him wonderingly how he and his colleagues managed the task of producing their 12-page paper, but he supposed that commitment counted for much and made it seem less of a grind.

Until about a year ago, the papers had been subsidised by jobbing printing undertaken by Plough Press but in the economic recession such work has dried up. Distribution has been confined to central London (voluntary helpers concentrate on factory gate and housing estate sales), and circulation has been hard to come by with the WRP unable and certainly unwilling to use commercial distributors. Demonstrations or protest processions used to help give circulation the occasional bump, but these have been few and far between under Labour. How many copies WP does manage to sell remains a party secret.

Two price increases last year, bringing it up to 7p, have not helped WP, the "whole history" of which "is fight for principles against all those who want to mislead and betray the working class" in the words of a recent front-page appeal for money. Pleading for cash help is a feature too of the Communist *Morning Star*, energetically derided down the years by the WP. But could readers and sympathisers even now come up with a life-saving donation? No, says ex-*Sunday Times* man Mitchell. "There's not the slightest chance of reversing this."

Caught out

The hotel Negresco in Nice—anyway not what it was in its heyday of the 1920's—failed to cover itself in glory yesterday when acting as the Press headquarters for journalists covering the French/West German summit meeting between Giscard D'Estaing and Helmut Schmidt. For nearly an hour the Tricolor flew in company with the East German hammer and compass flag until arriving West German journalists spotted the gaffe. Alas no West German flag was immediately available—so the Tricolor was left to fly alone.

Catchy

The phrase "Catch 22" has become part of the language with the meaning of an all-enveloping clause which no one can escape, but Sir Dan Pettit, chairman of the National Freight Corporation, decided he wanted a full explanation. His staff unearthed the original definition from the book: "The only reason you can be excused flying bombing missions is if you're crazy. Only crazy people like flying bombing missions. Therefore anybody who asks to be excused bombing missions *is'nt* crazy. Therefore, they have to keep flying."

They also went a step further in what Dan Pettit describes as "progressive logic," and produced a "Catch 23" which is highly topical in view of the number of top jobs vacant in the public sector.

It runs as follows, "Only someone who is crazy would want to run a nationalised industry. The Government can't appoint anyone who is crazy to run a nationalised industry. Therefore anyone who *wants* to run a nationalised industry will never be asked."

End of the road

This is my last go at signs (for the time being anyway). The award for bravery goes to a South London butcher—part of a national chain—whose window sports the following: "Owing to the shortsightedness of the management of this organisation and the bloody-mindedness of local traders (who threatened to sue) we can not open on Sundays to take orders for freezer supplies — we apologise to customers."

Changing tack, University College Hospital apparently has a notice which proclaims that Sunday night visiting is for husbands only — but warns that only two visitors are allowed at a time. At the other end of the life cycle there is — or at least was the last time my informant was there, a sign-post between Marlow and Bourne End which states, "Little Marlow Cemetery. No through road." There's no answer to that.

Observer

ITICS TO-DAY: THE TORIES

BY DAVID WATT

Popularity swings and roundabouts

ARGARET Thatcher's ...n of the anniversary ...ecession to the Tory ...p with a show of Par... ...y strength in the de... ...he Docks Bill predict... ...led in its ostensible ...f toppling the Govern... ...ut it prompts the ... of what would have ... if it had been success... Mr. Harold Wilson had ... the country. There is ...like a general election ...an imaginary one—to ...e down to reality from ...yrean of ideology and ...thinking where Oppo... ...ormally reside.

...vidence as there is on ...) base an answer is ...nd unsatisfactory. To ...idely the opinion polls ...ier up the creek than ...e ever been. Gallup ...bour in a 1½ per cent. ...ile Opinion Research ...ows the Conservatives ... by 7 percentage ...National Opinion Polls, ...nuary results have not ...eared, is said to be ...re in between with a ...tive lead of 4 per cent. ...ge discrepancy might, ...ime, have produced a ...d it is a measure of the ...) which political polls ...n devalued that no one ...ly thinks it either sur... ...of deplorable that two ...st-known polling organ... ...should offer such ...different results. Just ..., it is worth persisting ...tle analysis since some ... trends can be dis... ...ven though the overall ...ns are in conflict.

...ain patterns may be ...n the accompanying ...ch shows ORC's version of the principal changes that have occurred since the last general election. The salient points are as follows: (a) much of the Conservative gain has been at the expense of the Liberals. This is particularly marked among young voters; (b) Labour has done remarkably well among the upper income groups in spite of the so-called "squeeze" on the middle classes; (c) there appears to have been a switch from Labour to Conservative among the skilled working-class (C2) which, being nearly a third of the electorate would therefore account for a good deal of the ORC's overall Conservative lead. If (c) were substantiated this would indeed be an ominous portent for the Government and an important feather in Mrs. Thatcher's cap. But unfortunately for the Conservatives it is precisely at this point that the polls most seriously diverge. NOP, for instance, shows Labour's support among the C2 class as holding absolutely steady since October 1974 and while they too show Conservative gains they have been at the expense of the Liberals.

Commanding

All in all the picture is not an encouraging one for the Conservative Party. At this stage in the electoral cycle, particularly at a time of deep recession, high unemployment and general pessimism one would normally expect the Opposition to be in a much more commanding position. Historically speaking, a lead of 7 percentage points must be regarded as far below par. At the nadir of the Heath Government's fortunes in the 1971 recession Labour was leading by up to 15 percentage points according to Gallup and at the midpoint of the 1966-70 Labour Government the Conservative Opposition was 25 percentage points in the lead. The present Conservative lead, even at its most generous estimation, is quite insufficient to offer reasonable hopes of withstanding the normal pro-Government swing of a three-week election campaign.

Conservative hopes are based, therefore, on rather different grounds than in the past. One is the double-edged prospect of widespread Nationalist gains at Labour's expense in Scotland. But the chief proposition which is now adopted, for want of a better one, in various reaches of the Tory high command is that the electorate is "up for grabs" in quite a new way. The key word is "volatility." It may be true, or so the argument runs, that the population is becoming more and more Labour-oriented for reasons first outlined by Messrs. Butler and Stokes in 1969 in their path-finding work *"Political Change in Britain."* (The argument, roughly, is that older generations of voters, containing a preponderance of unconverted Conservatives, particularly, of the working class, will die off through the 1970s and 80s leaving the younger Labour generations and their Labour-inclined children holding the field.) But this effect is counteracted and possibly negated, for practical purposes, by the decreasing strength of loyalty to Labour among these voters.

The large swings from month to month and, indeed, the discrepancies between the various polls add credibility to this thesis. It may well be that voters are basically disgusted with both main parties and when forced to make a choice between them, register their disapproval in capriciousness when the pollster calls. On this basis the Tories are not in a particularly inspiring situation, perhaps, but neither are they in a hopeless one. On the contrary, a bold initiative, properly timed and thought-out, has a better chance of paying off than at any time since 1950, and perhaps since the 1920s.

But what is this initiative to be? That is the rub. The Conservative Party is in some confusion over the formation of policy for reasons which have already been discussed in this column. But there is a strategic difficulty which is suggested by this analysis of the electoral situation and which, for that reason, goes a good deal deeper than, say, the inability of Sir Keith Joseph and Mr. Reginald Maudling to agree about monetary policy.

Two paths lie before Mrs. Thatcher—a high road and a low road, each with its peculiar dangers. The high road consists of a grand ideological assault upon the "last pitiful bastions" of social democracy. Sir Keith Joseph has attempted this *passim* and a more cautious but also more grandiose attempt has been made by Mr. David Howell in his new pamphlet *Time to move on* (Conservative Political Centre, 50p).

STANDING OF THE PARTIES

NET GAINS AND LOSSES (%) BETWEEN OCT. 1974 AND JAN. 1976

	All		Men	Women
Conservative	+10.3		+13	+9
Labour	−4.7		−5	−5
Liberal	−5.3		−5	−5
Other	−0.3		−3	+1
AGE	**18–24**	**25–45**	**45–64**	**65+**
Conservative	+14	+11	+14	+3
Labour	−4	−4	−7	−2
Liberal	−14	−6	−6	−1
Other	+4	−1	−1	no change
CLASS	**AB**	**C1**	**C2**	**DE**
Conservative	+4	+5	+17	+12
Labour	+6	−1	−11	−6
Liberal	−10	−6	−4	−5
Other	no change	+2	−2	−11

Source: Opinion Research Centre

This latter repays study as a skilful blend of fashionable Josephite themes with more traditional Tory elements. Lord Keynes (and by implication Mr. Harold Macmillan, Lord Butler, Lord Selywyn Lloyd, Mr. Maudling and Lord Barber) is dead. Old-fangled demand management has been seen to collapse in inevitable inflation and unemployment; and the masses are being aroused by the spectacle in a way "which would have confounded the Marxists." There is now "a vast natural majority" for the Conservatives based on the restraint of government and government expenditure, the spread of ownership and wealth among the working class, the deepening of industrial democracy and the extension of private property and private choice.

Objections

Splendid stuff—but open to two serious objections. At the practical level it is dangerous, as one influential Conservative put it, to "put up so much sail immediately the wind changes." One is apt to be taken aback, even to capsize if powerful gusts blow from the opposite direction. Sir Kenneth Younger, not the most noted radical in the Labour Party, quite rightly pointed out the other day that Mr. Howell may have difficulty explaining to his middle-class (and particularly lower middle-class) constituents that a far wider spread of wealth to the workers is highly desirable and even more difficulty in converting the workers themselves on the basis of drastic cuts in education, health and the social services. In other words, whatever one thinks of the merits of Mr. Howell's prospectus, it is impossible to spell it out in sufficiently general terms to avoid the awkward questions that politicians understandably abhor.

At a more theoretical level the highroad trodden by Mr. Howell leads to marshy terrain. It is interesting to see an able, modern Conservative tackling the problem that has vexed so many generations of Tories since the extension of the franchise in 1868: how to reconcile deep-seated Conservative beliefs about the nature of the state and of human nature with the onrush of pure democracy. Past generations have managed to dodge the issue either, like Lord Randolph Churchill, by saying "trust the people" and doing precious little of the kind, or by sweeping the issue under the carpet. We have probably now reached a point where the idea of the "popular will," profoundly inimical to Conservatism, is so prevelant and disturbing, that Conservatives will soon be obliged to face a showdown with the concept. But this is not a course to be undertaken lightly or embarked upon with no more protection than Mr. Howell's carefree phrases about participation, industrial democracy and the like.

The alternative to the high road is, of course, to take refuge in pragmatism. Conservatism, one is told, is mainly a matter of common sense. Let us therefore rely on the Government to demonstrate the senselessness of its own policies and pick up the pieces where we can. It is so manifestly absurd to tax people who receive State subventions on the grounds of poverty that any voter is going to vote for the man who says how silly it is. Similarly, rows over the health service or progressive education in particular hospitals or schools do far more than any amount of propaganda to make people vote Conservative. The right strategy is therefore to stay quiet except in the face of manifest Government lunacy and prepare for the inevitable day when the Government destroys itself.

Daunting

The drawbacks here no less daunting. For one thing, this course does nothing for the morale of Conservatives in the country (or their fund-raising capacity). For another it leaves the Conservative front bench looking as forlorn and unconvincing as ever. And finally, it leaves it wide open to an alert Government to steal the best Conservative clothes. If, as seems very likely, Labour now tackles public expenditure, raises the tax threshold and does something about middle management salaries—to take three favourite Conservative cries—the Opposition is left stranded once more.

In practice, no doubt, Mrs. Thatcher will try, like most leaders of the Opposition, to advance along the high and low road simultaneously. But the table and the discussion at the beginning of this article do not suggest to me that it will be easy. The electorate may be volatile but its volatility has not yet landed it even temporarily in the Conservative camp in sufficient quantities to suggest that the ideological arguments on the practical derelictions of the Government have had a decisive effect or even that they are very likely to do so in the future.

Letters to the Editor

...nsfer tax ...ecessary

...rd Brown

...have just watched a ...programme called "Man... ...port." It was devoted ... capital transfer tax. ...arters of the time was ...criticising the tax. Joel ... the chief secretary to ...asury was given an ...ed quarter of the time ...er the criticism at the ... could write 20,000 ...iticising this programme. ...) list its main defects.

... the impression that all ...sinesses were benevo... ...rthy and had excellent ... relations and by in... ...that large companies ... these respects. The ... that many small busi... ...are nasty in many ... and inefficient em... ...of labour. I must add ...off criticism that there ...ands of very good small ...s also.

...sophisticated viewers ...t with the impression ...n the entrepreneur dies ...ess has to be sold. The ...hat he can sell a third ...siness, say to ICFC, and ... in full control. The ...eceived for sacrifice of ...-third will pay CTC. ...-thirds voting power the ... inherits the business ... in legal control. The ...nt who appeared in the ...thirds of the show was ...y biased and failed to ... this obvious way ... the family could inherit ...y on the company as a ...how.

... programme actually ...d the illegal manner in ...he capital transfer tax ...e avoided. In addition ...bed gimmicky ways in ...e tax could be legally ... I have doubts in fact ...neans described are in ...lly available.

...h

...bove all viewers were ...e impression that CTC ...ly a bad, complex and ...ry tax which would dam... ...economy. The fact is, as ... recently shown by the ... Royal Commission that ...K. a higher proportion ...d wealth is owned by a ...percentage of the popula... ...i anywhere else in Wes... ...rope. We are a democ... ...a a vote to every adult. ...per cent. own very little ...ealth. That 70 per cent. ... will not for ever agree ...o who have inherited or ...great wealth go on pass... ... to their children—thus ...ting the current distribu... ...ealth.

...ely I am one of the ... From a purely personal ...t-term point of view I ...ke to pass it on to my ... From a moral point of ...could not defend that ...n. From a long-term ... point of view the per... ...of tax free inheritance ... the seeds of social revo... ... History is redolent with ...s of nations which held ...hange desired by a ... of their citizens only to ...n disaster. This country ...and large bent to the ... majority wishes and ...serious social disruption. ...tal transfer tax is simply ...iple of necessary fiscal ...Of course, those who will ... resent it. But there are ...s who possess wealth ... see the political neces... ...is tax. The BBC did not ... far for its participants. ...ype of unbalanced pro... ...should not be permitted. ...net should have been ... throughout the programme to meet the constant stream of biased opinion which emerged. There should have been equal numbers of people for and against this tax. The BBC lost some of its stature to-night—especially because it popularised illegal activity.

Lord Brown. P.C.,
23, Prince Albert Road, N.W.1.

Fishing policy

From Mr. Eldon Griffiths, MP.

Sir,—Everyone should welcome the Nato Secretary General's attempted mediation, by whatever name it is called, in the wretched Cod War. The British Government badly needs to get off the hook.

Our fishermen have shown great courage in the icy waters of the North Atlantic. The Royal Navy has done its duty impeccably. But for all practical purposes, Mr. Callaghan has lost the diplomatic battle. He will now have to climb down—because from the start, he and the Foreign Office have made a series of elementary diplomatic blunders.

First in rejecting, until it was nearly too late, the Opposition's suggestion that he find a mediator. Second in failing to take the Cod War to the European Council of Ministers, who have far more leverage on Iceland than Britain has by itself. Third, by underestimating the ferocity of Icelandic opinion on an issue that, for them, is a matter of life and death, but which for us is important but not vital. Fourth, in not placing enough weight on the geographic and military importance of Iceland to Nato.

It is a cardinal rule of crisis management that no big nation should commit its prestige and armed forces to an issue where a small power has no line of retreat. The Foreign Office has sadly ignored this.

With the Law of the Sea Conference quite likely to pull the rug out from under our legal position over Iceland's 200-mile limit, Mr. Callaghan should tell Dr. Luns, as the Financial Times has suggested, that Britain is prepared to turn away from the short-term issue of next year's fish catch to the wider and longer-term questions of a European fishing policy and measures to diversify Iceland's economy to reduce her dependence on fish.

The sooner he does this the better. Continuing the Cod War does no good to Britain or its allies. It benefits only our foes.

Eldon Griffiths.
House of Commons, S.W.1.

Student grants

From Mr. J. Egerton

Sir,—Mr. Rogaly's article on student finances (February 10) makes the point that the present grant system is unsatisfactory. It should also be said that it is unjust in that, basing the parental contribution on the parents' pre-tax income, it produces arbitrary results on account of progressive income tax and the incidence of investment income surcharge. This will be made worse if an annual wealth tax is introduced, thus ensuring that substantial sections of the community are denied a University education on account of their parents' wealth while children of parents on high incomes, such as senior civil servants, would continue to be able to attend University.

The grants system also fails to achieve its original objective—making it easy for working class children to attend University by setting the grant at such a level that there was effectively no parental contribution. The rapid rise in manual wages has ended this situation.

May I suggest that the following scheme would be better in the present circumstances: students would each receive a loan, set at a realistic level and indexed on a suitable variant of the Retail Price Index. The repayment would be at a fixed percentage of income in excess of, say, £2,000 per year, no interest being charged, but the loan being indexed to a suitable wages index. By making the repayment deductible from income for the purposes of income tax, this ensures that the cost of higher education is split in proportion to the benefits between the community and the individual.

Such a scheme avoids one difficulty which has stopped loans schemes in the past—the inability of graduates in certain types of employment, especially social work and the churches, to make repayments. On the other hand, in the long run it should come fairly close to making higher education self financing in that the gap between the rise in wages and that in prices is usually sufficient to generate a substantial surplus.

Such a scheme, however, might be felt politically unattractive, especially in view of the sizeable number of marginal constituencies containing Universities. The political cost might be immediate; the political and economic gain rather less immediate. This is presumably why politicians have in general shied away from loans. Hopefully, the growing realisation of the hard facts facing the U.K. will overcome some of the opposition and fear to such a change.

Joseph R. S. Egerton.
Fletchers, Evenlode,
Moreton in Marsh, Glos.

British Leyland shenanigans

From Mr. R. Morgan.

Sir,—Most of what John Barber says about British Leyland (February 11) and its place in the motor industry makes obvious sense to those of us (including some of the present top British Leyland executives) who have spent any length of time in the industry at a senior level.

What has been missing in British Leyland up to now has been top management with the skills and the courage needed to implement the policies outlined in the article. Far too much time has been wasted through unprofessional management at the top level, non-productive window dressing and political shenanigans within the company.

R. Morgan.
38, Leam Road,
Leamington Spa, Warwickshire.

Maddened at Heathrow

From Mr. H. Parker.

Sir,—In Michael Donne's article of February 7 on Concorde (There and Back in a Day) he states that "British Airways is aware that some of the air time saved could be wasted through Customs and Immigration facilities on the ground at Kennedy—which, as many sub-sonic passengers know, can be tedious in the extreme." Too true. But as a sub-sonic passenger who has made approximately 50 round trip flights via BA between Heathrow and Kennedy during the past 15 years I submit that the Customs and Immigration process at Heathrow is, if anything, even more tedious than at Kennedy—especially since BA opened its own terminal at Kennedy some years ago.

To be more precise, I estimate that my own experiences of incoming clearance times at Heathrow and Kennedy have averaged around 40 minutes and 25 minutes respectively—but with much wider variations at Heathrow than at Kennedy, mainly due to the maddening unpredictability of baggage-handling delays. So if BA wishes to improve the total transit time for its Concorde passengers it should certainly not overlook the Heathrow clearance delay problem.

Hugh Parker.
74 St. James's Street, S.W.1.

Pensions and inflation

From Mr. R. Colbran.

Sir,—It is certainly a novel idea of Mr. Poole (February 2) to suggest that the old law concerning tax approval of pension schemes requires them to keep pace with the benefits of the most generous statutory superannuation schemes. The last paragraph of Section 222(1) of the Income and Corporation Taxes Act 1970 permitted the Inland Revenue to approve schemes not satisfying the condition he quotes and, as is well known, the current level of benefits of statutory schemes has been regarded as the maximum permissible, not a standard to be equalled of necessity. Incidentally there is no corresponding condition in Section 208 of the same Act (the old 1921 Act approval) which applies to most pension funds. Neither has it been repeated in the parts of the 1970 Finance Act which replace both forms of approval, although statutory schemes continue to be used as a yardstick by the Inland Revenue.

Mr. Poole's point illustrates the fact that there is no investment available to pension funds or insurance companies which can be guaranteed to retain its real value. Unfortunately, there are also few investments which have done so in practice in recent times. Most savers, whether for retirement or not, hope to maintain and enhance the real value of their investments. If a situation could be created where just this could be achieved over the broad range of equity shares, I believe that we should have moved a long way towards solving the country's economic problems. As it is inflation has been accompanied by a transfer of wealth from the savers to the current earners with a consumption of capital resources. The resulting problems are not confined to pensioners, although high-lighted by their hardships.

Roy Colbran.
6, Ranmore Avenue, Croydon.

Guardian of the social contract

From Mr. C. Robson.

Sir,—I was horrified to read in Mr. John Elliott's article entitled "Guardian of the Social Contract" (February 11) of Mr. Michael Foot's open assertion that "my obligations are to the trade union movement and I don't want to abandon that." Surely the obligations of a Minister of the Crown are to the country as a whole?

C. W. Robson.
Low Thornhill, Chop Gate,
Middlesbrough, Cleveland.

Today's Events

GENERAL

Provisional U.K. trade figures for January published.

Mr. Denis Healey, Chancellor of the Exchequer, addresses Labour Economic, Finance and Taxation Association conference, County Hall, S.E.1.

Mr. Anthony Wedgwood Benn, Energy Secretary, is guest speaker at CBMPE "North Sea and Offshore Exploration and Development" conference lunch, Cafe Royal, W.1.

Trade and Industry Sub-Committee of House of Commons Select Committee on Expenditure hears evidence from plant management and union and staff association representatives at company's Whitley (Coventry) plant regarding public expenditure on Chrysler (U.K.).

Admiral Sir Anthony Griffin, chairman, organising committee for British Shipbuilders, is guest of honour at North-East Coast Institution of Engineers and Shipbuilders annual dinner, Newcastle, at end of two-day Tyne visit.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' Bills.

OFFICIAL STATISTICS

Retail prices index (January).

Building societies' receipts and loans (January)

Crude steel production (January).

Finished steel consumption and stock changes (fourth quarter—provisional).

COMPANY MEETINGS

Lee (Arthur), Sheffield, 12.30.

Speedwell Gear Case, Birmingham, 12.

EXHIBITIONS

Audio Visual Training Equipment Exhibition, U.S. Trade Centre, 4-5, Langham Place, W.1.

Cruft's Show, Olympia.

OPERA

Royal Opera production of Pagliacci, Covent Garden, W.C.2, 7.30 p.m.

English National Opera perform Tosca, Coliseum Theatre, W.C.2, 7.30 p.m.

MUSIC

Royal Choral Society and Royal Philharmonic Orchestra, conductor Meredith Davies, in Elgar's "The Kingdom," Royal Festival Hall, S.E.1, 8 p.m.

Yu Chun Yee gives piano recital of works by Mozart, Schubert, Chopin, Lennox Berkeley, and Debussy, Purcell Room, S.E.1, 7.30 p.m.

SPORT

Tennis: European Nations Cup, Great Britain v. Sweden, Edinburgh.

COMPANY NEWS + COMMENT

Pride & Clarke recovers to peak £1.31m.

AFTER FALLING from £1.18m. to £554,787 in 1973-74, pre-tax profits of Pride and Clarke more than doubled to a record £1,312,812 in the year to September 30, 1975 on turnover up from £22.38m. to £33.12m.

At halfway, when profits had risen from £352,000 to £513,000, the directors were hoping for second half results similar to those of the first.

Full year earnings are shown to be up from 11.5p to 30.1p per 25p share and the dividend total is lifted from 8.225 to 10p net with a final payment of 7p.

Turnover included sales to the hire purchase companies of £835,044 (£694,713), tax took £697,876 (£311,621) and £402,686 (£66,416) was retained.

The directors now report that in common with many other companies in motor distribution and allied trades, group turnover for the current year to date is below the increased level achieved in the previous corresponding *period. There are, however,* indications that sales are improving and they are hopeful that this trend will continue throughout the year.

● comment

Pride and Clarke's second-half profits have bounded ahead nearly fourfold to leave the full year some 137 *per cent. higher* for more than a full recovery. Dealing in the used car market has provided a sound margin improvement, but undoubtedly the group's per formance is a reflection of the way Toyota is improving its sales in the U.K. Pride and Clarke has the sole U.K. franchise, an with a 37 per cent. jump in the number of Toyotas registered during 1975, *and the market share* improving from 1.17 per cent. to 1.7 per cent., it is hardly surprising that P and C has managed such a swift recovery. Some threequarters of profits now stem from the Toyota franchise, a fact which could leave the group vulnerable to any moves against imported cars. Even so, the current agreement with some Japan*ese manufacturers, limiting their* exports to the U.K., will not cause any real problems, though the company may have fewer cars to handle for a couple of months. The jump in the dividend payment sent the shares 5p higher to 160p, where the yield of 10 per cent. leans towards the top end of the sector.

HIGHLIGHTS

Lex probes the reasons behind the **Electra Investment Trust** offer for sale of 12.5m. Ordinary stock 25p Units at 87p per unit. Elsewhere, **Jefferson Smurfit's** profits are 26 per cent. lower but in line with market expectations while **Pride and Clarke** has finished *the year on a strong note,* thanks to imports of Toyotas, and the overall pre-tax increase is some 137 per cent. With margins under pressure **Scottish Agricultural's** profits for 15 months are below the company's September projection. With some late pick-up in activity *Bernard Wardle* has managed to keep its head above water in the second half and much the same could be said of **Sandhurst** with only a small profits contribution in the first half.

City of London Brewery up in first half

Net revenue of the City of London Brewery and Investment Trust rose from £559,427 to £611,911 in the half year to December 31, 1975. In 1974-75, net revenue totalled £1.18m.

Total revenue for the half year *was £1.05m. against £0.99m. before* deducting expenses of £51,042 (£41,710) and tax £383,961 (£360,149).

In the 1974-75 first half there was a £28,000 liability for funding of past service pension.

Net asset value per 25p Deferred stock was 58.3p at December 31, compared to 51.9p at June 30, 1975.

A second net interim dividend of 0.5p has already been declared, making 1p (0.9p) to date. The previous total was 2p.

The net asset value includes the *full investment currency* premium amounting to 2.4p (2.3p).

Valuation of investments at December 31 was £29.39m. (£25.56m. at June 30) and net current assets were £2.04m. (£2.82m.).

	Half year 1975 £	1974 £
*Income	1,046,914	959,796
Management expenses	51,042	41,710
Pension funding	—	28,300
Corporation tax	106,836	154,287
Tax on franked income	277,125	205,982
Net revenue	611,911	559,427
Pref. Preld. Ord. divs.	72,696	72,896
Deferred Ordinary	479,059	430,232

* Including imputation credit.

Sandhurst Marketing setback

ON STEADY turnover of £1.45m. against £1.49m., pre-tax profits of Sandhurst Marketing fell from £100,000 to £35,000 in the half-year ended December 31, 1975.

However, the chairman, Mr. B. D. Hulme, says that trading improved towards the end of December, and *this improvement* is continuing.

Stated earnings for the half-year are down from 3.08p to 0.67p per 10p share and the *interim dividend* is cut to 0.2915p net against 0.583p.

For the year to June 30, 1975, pre-tax profit was a record £287,197 and the net total dividend. 1.7076p.

First-half tax charge is £18,200 (£83,200) leaving net profit at £16,800 against £76,800.

The group supplies stationery etc., and makes chemical products.

● comment

After rising from 24p to 38p on bid speculation at the end of last month, Sandhurst's share price settled back to 34p to await a well-publicised drop in interim profits. In the event, the first-half pre-tax level has slumped by *almost four-fifths before tax and,* despite an easing of 2p in the shares to 32p yesterday, this is probably no worse than most expectations. The chemicals, leather goods and art shop activities have all either held their own or made progress during the first half, but the traditional stationery interests have taken a sharp tumble into the red. Current indications are that the second six months will be better for the stationery companies and this should enable the group to hold its final dividend payment. How*ever, conditions ace still difficult* and the bid possibilities are clearly providing the main prop for the shares which are yielding a prospective 6.8 per cent.

Bamfords advances to £0.6m.

ON TURNOVER up from £10.49m. to £10.98m., profits of **Bamfords** advanced from £451,732 to £618,068 in the year to September 30, 1975 subject to tax of £381,498 compared with £235,502.

Profits were struck after higher depreciation of £168,840 against £163,166, and interest charges of £377,535 against £321,720. The dividend is lifted from 0.75375p to 0.8p net per 20p share.

The directors state that in the current year sales for the first four months show an increase over the corresponding period last year but the forward order position on the home market is not as favourable, due to the lack of confidence in future agri*cultural policy.* The group manufactures agricultural machinery and engines.

● comment

A 1.3 point improvement in margins to 5.6 per cent. has enabled **Bamfords** to push profits 37 per cent. higher on a sales increase of only 4½ per cent. A £500,000 jump in exports to £3.6m., and a sales mix which favoured smaller machines are evidently the key factors behind this margin advance. This year, faced with *a dull home market for agricultural* equipment, Bamfords will again have to go all out for exports, and the 15 per cent. increase in sales over the first four months represents just such an effort. Whether it can keep up this sort of growth rate for the whole year it is too early to tell: but, if so, the higher margins on overseas sales should ensure some increase in profits. The shares, however, at 25p, where the p/e is only 4.1, are taking a cautious line.

J. & J. Dyson resignation

Mr. C. G. Jenkins, has resigned his position as joint managing *director of the Sheffield-based* J. and J. Dyson Group "as a result of a difference of opinion over policy."

This was confirmed yesterday by Mr. G. A. Lomas, the Dyson chairman, who said that Mr. Jenkins' leaving was "a totally amicable agreement." Mr. Jenkins was head of Dyson's aluminosilicates division.

Mr. Lomas refused to disclose how much compensation Mr. Jenkins would receive beyond saying that "a satisfactory figure has been agreed."

B. Wardle down by £853,000

FOR THE year to November 30, 1975, **Bernard Wardle and Co.** has reported sharply reduced pre-tax profits of £257,000 against £1.11m. on turnover down from £13.6m. to £11.84m. At mid-term the figure was £29,600 (£648,200).

Full year profits include £169,000 received from suppliers of the new calendar at Duraplex in compensation for costs incurred due to delay in satisfactory commissioning of equipment.

The chairman, Mr. D. A. Boothman, says the results are in line with the indications he gave at last year's AGM and in his interim report. He asserts that the effects of the recession during the year proved to be the worst ever experienced by the company.

Stated earnings per 10p share were reduced from 2.9p to 0.66p. After omitting an interim payment, a final dividend of 0.5p net is proposed. In the previous year total dividend of 1.1375p was paid.

The chairman says that the *omission of the interim dividend* together with other actions reduced bank overdraft from £764,000 to £142,000 by the year end.

But the Board, having regard to the profitability for the year, present trade indications and cash requirements, feels it is necessary to remain cautious which explains the low final dividend.

This is despite "firm evidence of considerable improvement" at the start of the current year with to-date results much higher than those for the same period last *year. While profits will not return* immediately to the record levels of 1973-74, it is clear that 1975-76 results will be much better than those for 1974-75, the chairman adds.

	1974-75 £000	1973-74 £000
Turnover	11,340	13,600
Pre-tax profit	257	1,110
Taxation	131	573
Attributable Ordinary	119	518
Ordinary dividend	90	204
Retained	29	312

● comment

A pick-up of activity in the *closing stages of the year has* kept Bernard Wardle's head above the water in the second half, which has produced pre-tax profits of £57,000 (excluding compensation payments) against £29,000 in the first six months. The compensation payment of £169,000 (taken above the line) has allowed the payment of a token final dividend and this has been supported by stringent working capital control which has reduced borrowings from two-fifths to one-quarter of shareholders funds. The group's volume has been at the mercy of its principal customers—the motor, packaging and furniture industries, in order of importance—and a 13 per cent. fall in sales overall, despite changes in product mix, is an indication of the pressure. Particularly affected were the blow moulding operations in Wales *(the biggest single company)* and Holland, which both returned a loss. Activity has since continued to recover, and the £1¼m. calender project at Duraplex in Edinburgh should also be making a good contribution. Sandilands-style adjustments are promised for the forthcoming accounts, where weak chemical price indices and a 1973 property revaluation, are scheduled to produce relatively favourable results. The shares at 12½p yield 6.4 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bamfords	0.8	April 2	0.73	0.8	0.75
Brit. Am. and General	0.75	April 2	0.7	1.25	1.2
Cardinal Trust	2.75	—	2.5	4.5	4.25
Cornercroft	1.82	—	1.88	2.6	2.68
Debenture Corporation	1.89	April 2	1.74	2.45	2.30
Direct Spanish	2.75	—	2.75	3.8	3.8
Gen. Funds. Trust 2nd int.	2.5	April 2	2.5	3.55	3.55
Ind. Newspapers	3.13(f)	—	3.13	4.5	4.5
John James Group ... int.	0.98	April 1	0.88	—	2.13
Law Debenture	2.23	April 21	2.6	3.23(b)	3.82(c)
Minerals & Resources int	Nil	—	8.0(e)	—	14.0
Noble Grossart	10	—	5	10	5
Pride and Clarke	7	March 31	5.48	10	8.23
William Ransom ... int.	0.79	April 2	0.89	—	2.31
Sandhurst Marketing int.	0.29	—	0.58	—	1.71
Scottish Agricultural	8.27	April 2	5.82	13.77(a)	10.32
Throgmorton Growth int.	0.61	April 2	0.61	—	1.89
Tribune Trust	6.8	April 6	5.7	9.6	8.5
Vogelstruisbult ... int.	4(d)	March 23	3.5	—	6
Bernard Wardle	0.5	April 15	0.7	0.5	1.14
Thomas Witter	2.4	April 5	1.94	2.56	2.64
Wood Bastow ... int.	1.0	April 8	1.0	—	3.46

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 15 months. (b) For 11 months. (c) For 13 months. (d) South African cents. (e) U.S. cents. (f) Gross throughout.

John James mid-term growth

ON A TURNOVER up from £4.67m. to £5.92m. group pre-tax profit of **John James Group of Companies** increased from £694,686 to £756,551 in the half-year to September 30, 1975. The figures for the year to March 31, 1975 were £9.93m. and £1.68m. respectively.

Group trading continued its *steady improvement in the half-*year and the directors anticipate that this will be maintained during the second half. Although turnover increased by over 25 per cent., *profit margins suffered* owing to price controls.

The interim dividend is lifted from 0.875p to 0.975p net per 25p share from earnings up from 1.49p to 1.56p. *Last year's total* was 2.125p—earnings 3.55p.

	Half year 1975 £	1974 £
Group turnover	5,918,557	4,666,649
Profit before tax	756,551	694,686
Taxation	313,262	267,319
Minority interests	4,445	8,571
Attributable	438,844	420,796
Interim dividend	234,168	215,937

● comment

Improved performances from the footwear and pumping divisions have kept **John James** 9 per cent. ahead pre-tax at the interim *stage. The other industrial sub-*sidiaries have held their own with the exception of the electronics company which has registered lower profits. Another important feature of the group's first-half profits is an unchanged contribution from unquoted investment income. But for its recent switch in emphasis from Ordinary stock to Preference shares the group *reckons that this would have* been significantly lower. The problems of the electronics company have apparently now been solved but elsewhere the second *six months has seen little change,* and a maintained first-half growth rate looks a reasonable assumption. Even so, the market is still not taking anything for granted, and the shares at 28p (compared with a 1974-75 net asset value of 29p), yielding a prospective 13.1 per cent., reflects the caution.

Throgmorton Growth Trust lower halfway

After deducting lower administration expenses of £193,623, compared with £207,481, gross *revenue of The Throgmorton* Secured Growth Trust declined from £151,150 to £124,452 in the six months to January 31, 1976.

Earnings per 25p share are *shown to be down from* 0.95p to 0.77p and a same-again interim dividend of 0.6125p net is declared. For the year ended July 31, 1975 dividends totalled 1.885p from gross revenue of £899,035, before £405,832 administration.

Net asset value per share at half-time was 120.4p, against 73.6p at July 31, 1975.

	Six months 1975-76 £	1974-75 £
Gross revenue	318,075	358,631
Administration	193,623	207,481
Pre-tax revenue	124,452	151,150
Tax	47,925	55,963
Net revenue	76,529	95,187
Dividends	61,250	61,250
Forward	46,454	66,002

Serck makes a good start

The chairman of Serck, Mr. K. M. Leach said at the annual meeting that the current year had started well. Profitability in the second half of last year had been *maintained in the first quarter* and group borrowings had been further reduced.

The group still had a substantial amount of work on hand, but new orders were running at 10 per cent. to 15 per cent. below the current level of deliveries, Mr. Leach said.

There were no signs yet in any sector of the group's business of the widely forecast recovery in demand. "However, our companies are in good sharpe to withstand any further downturn, and to exploit the opportunities which will arise when conditions improve," the chairman stated.

Serck is an engineering group specialising in heat exchangers and valves, control equipment, vehicle exchange parts, etc.

Progress by Wood Bastow

FIRST HALF sales of **Wood Bastow Holdings** increased from *£3,374,000 to £4,250,000,* and profit advanced from £229,000 to £255,000, subject to tax of £133,000, against £119,000.

The chairman, Mr. J. Wood, states that the policy of diversification, together with improving the liquidity of the business and strengthening the balance sheet, continues and although demand varies from product to product and margins remain under pressure the general position and outlook "is reasonably buoyant."

As before the interim dividend is 1p net per 20p share. The *total for the year to June 28, 1975,* was 3.457p from pre-tax profits of £467,605.

The company, manufacturers of corsetry and lingerie, etc., is a supplier to Marks and Spencer.

● comment

Wood Bastow's 26 per cent. sales rise and 11 per cent. profits *recovery point to a turnaround* that could bring results for the current year close to the 1974 peak level. The seasonal improvement in performance to be expected in the second half should be easily maintained by a low swimwear stocks position among customers as a result of the hot summer last year. Already swimwear represents 20 per cent. of total sales against around 15 per cent. a year ago. Recent increases in sales, however, are not having much impact on margins, with only a slight improvement on the 5¼ per *cent. level of last year's second* half, against the 8¼ per cent. peak in 1974. Nevertheless exports are up by some 5 per cent., partly in the wake of expansion in Canada and on the Continent by Marks and Spencer, which takes 75 per cent. of its products. And in view of the improved outlook generally, only a further big squeeze on margins sufficient to bite into the current £½m. improvement in liquidity is likely to prevent a maximum total dividend giving the shares at 66p, a yield of nearly 9 per cent.

Cardinal Trust pays more

Pre-tax revenue of the **Cardinal Investment Trust** was down from £596,054 to £557,366 in 1975, reflecting increased administration and interest charges.

Net earnings per 25p Deferred share are shown at 4.84p (5.18p). *A final dividend of* 2.75p lifts the net total from 4.25p to 4.5p.

	1975 £	1974 £
Total revenue	882,605	857,113
Admin. and interest	325,239	261,059
Pre-tax revenue	557,366	596,054
Taxation	204,787	219,380
Pref. dividend	13,829	13,829
Available Deferred	338,750	362,845
Deferred dividend	315,117	297,610
Revenue reserve	23,633	65,235

Net asset value per Deferred share was 179p (95p).

ISSUE NEWS

Electra Trust £10.9[m.] offer for sale

As foreshadowed in last Saturday's Financial Times, the **Electra Investment Trust** has come to the *market to raise* £10,875,000 by an offer for sale of 12,500,000 Ordinary 25p stock units at *87p* each.

Electra, which has an issued Ordinary share *capital of* £12,226,200, has until now been owned in equal proportions by Cable Trust and Globe Investment Trust, both part of the Electra House group of companies. *After* the offer for sale both Cable and Globe will hold 37.32 per cent. of the equity each, and this is considered as a long-term investment.

The reason that Electra has come to the market is stated as to maintain its investment trust status with the Inland Revenue. *In order to qualify for approval* under the Finance Act 1972 Electra's Ordinary capital must have a listing.

Of the Ordinary stock units now *being offered for sale, 20 per cent.* will be made available to meet preferential applications by eligible holders of ordinary shares or convertible stocks in either Cable or Globe.

Electra's total portfolio at January 23, 1976, is valued at £63m. and certificates of deposit and money at short notices amounted to £1.9m. Some 84 per cent. of the trust's investments are in listed securities (about one-third is represented by overseas holdings). However, the directors have decided to change the *emphasis of investment* and hold a greater proportion of unlisted holdings though this will not exceed half of the total holdings. In this respect Development Capital will recommend investment opportunities in unlisted public companies, with a particular emphasis on high yields.

Earnings of the trust have climbed from £961,000 in the year ended March *31, 1971 to £1,506,000* in 1974-75. For the current year the directors are forecasting that earnings will not be less than £1.9m. On this basis it is their *intention* that a final dividend of 1.6p will be paid for the year ended March 31, 1976. In a full year they would expect to recommend dividends totalling 3.6p, which on the issue price of 87p gives a yield of 6.36 per cent.

The net asset value per Ordinary stock unit at January 23 was 120p of which 11½p was represented by net potential *liabilities.*

Dealings in the stock [are] expected to commence [Wed]nesday, February 25. The [issue has] been underwritten by [...] and Company.

See Lex
Prospectus pages 1[...]

LCP rights raise £2.6m

L.C.P. Holdings propos[es to raise] £2.6m. by way of rights, [an] issue of 4,704,383 new 25p shares, on the bas[is of ...] for four at 57p.

The proceeds of the [issue will] be used to fund the co[mpany's] acquisitions—home im[provement] discount centres' Big [...] Calypso—which the g[roup has] already made for cash [...] totalling £2.3m., and al[so pro]vide a base for a conti[nuing pro]gramme of capital invest[ment. The] group has also recen[tly nego]tiated the conversion [of its] overdraft facilities into medium term loan re[payable in] instalments over seven [years].

For the full year to [...] 1975, the directors fore[cast a pre-]tax profit of not less [...] (compared with £2.41[m. last] year) and look forw[ard to a] higher level of activit[y in] *1977.* As previously ann[ounced, the] group intends to [pay a] total Ordinary dividen[d for the] current year of 3.9p net, equal to 6.0p gros[s. Treasury] consent has already be[en obtained] for the increase of 36. [...] over the previous year.

The issue has be[en under]written by J. Henry [Schroder] Wagg and Company. [...] *Rowe and Pitman,* H[...] Hichens, Harrison and [...] and Culter and Comp[any].

TREASURY 1[...]

The Bank of [England] announces that th[e] applications for the £600m. 12¼ per cen[t. ...] Loan 1993 opened to-day. The full am[ount of] stock offered has be[en ...] all applications receiv[ed from the] public being allotted [...]

FARMERS LO[...]

Agricultural Mortga[ge ...] to issue £1m. 10.375 *per* [cent. Bonds] due February 18, 1977 [...] cent. Bonds have bee[n ...] payment in full on F[ebruary ...] *1976, on which day de[alings ...]*

Debenture Corp. turns in £0.79m.

AFTER DIPPING slightly at midterm, The **Debenture Corporation** has reported practically un*changed after-tax revenue at* £788,982 for 1975, compared with £783,620 in 1974 on gross income up from £1.48m. to £1.53m. The halfway figure, was £382,768 on £716,057 compared with the previous corresponding 1974 half's £395,043 on £724,220.

The final dividend per 25p Ordinary share is lifted from 1.74p to 1.89p net for a total of 2.45p *against* 2.30p previously.

Stated earnings per share are 2.62p compared with 2.60p last time while net assets rose from 51p to 91.6p, including 100 per cent. of investment currency premium up from 11.3p to 13.8p.

	1975 £	1974 £
Total income	1,534,321	1,477,498
Expenses, interest	236,743	219,122
Taxation	508,594	474,754
After-tax revenue	788,982	783,620
Preference dividends	3,036	3,036
Ordinary dividend	735,900	690,000
Total net resources	30,262,715	18,305,941
Valuation invests.	23,507,817	13,980,484
Invest. curr. prem.	4,141,315	3,399,364
Net current assets	613,583	926,093

ANTON PILLER

Anton Piller KG, the West German manufacturer of frequency converters an[d ...] power units, is to set [up a wholly] *owned subsidiary A[nton Piller]* (U.K.) to supply U.K[...] It will be based at [...] Glos., and will becom[e the] source of Piller equip[ment in the] U.K. It will supply [...] and offer full servici[ng ...]

T. Witt[er] upturn [in] second [half]

PROFIT, BEFORE ta[x of Thomas] Witter and Co., mal[...] and wall covering[s, ...] *slightly from £796,43[...]* in the year ended N[ovember ...] 1975, after a sharp [...] £511,178 to £121,127 [in the first] half.

Year-end profit inc[ludes invest]ment income ar[...] received of £10,187 [...] with £43,240, and £[...] of a former assoc[iate in the] 1973-74 period. Sal[es ...] from £15.64m. to £1[...]

Stated earnings pe[r ...] are 3.8p, against 3.3p [...] dividend of 2.396875p [...] a total of 2.559375p [...] At the gross level [...] kept at 3.9375p.

Tax takes £353,96[...] with £449,303, leavi[ng ...] (£347,129) net. Minor[ities ...] to £50,763, against £[...]

هكذا صدر الأصل

...efferson Smurfit ...aches £6m.

...with expectations that the Jefferson Smurfit the year ended January ...ould be the second best group's history, the report pre-tax profits against the peak of 1974-75.

...r was virtually un... ...t £78m., and the results ...ered to be satisfactory ...t of prevailing economic during last year.

...If profits had shown a ...) from £4.5m. to £2.4m. ...s now say management the area of overhead the face of declining ...ept the year's profit a level of 7.7 per cent.

...d earnings per 25p shown to have fallen ...to 14.6p and from 14.9p ...luted. Net assets per ...wed an improvement to 74p.

...x of £2.1m. (£3.8m.) net ...; £3.9m. against £4.3m. ...de profits were down ... £3.4m.

...s say the profits reflect ...g geographic spread of ...ss and were strong in ...nd the U.S. (associate ...).

... business did well in ...rcumstances but in ...sses were incurred in ...panies. With the con... ...e of inflation in Ireland, ...ling wage, salary and ...sts bill has only in... ...e group's lack of com... ...s, the directors say. ...inued to give serious concern.

...charge reflects in part of the stock relief Irish companies.

...ration on "cash manage... ...ring the year has re... ...reducing borrowings by ...to £3.6m. which, net of ...now only 17 per cent. of ...rs' funds and Govern... ...ts of £20.9m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Dorrington Investment, Estates Property Investment, Albert Fisher, Heywood Williams.

Finals: Delyn, Sinonside Investment, Ward Holdings.

FUTURE DATES

Interims—	
Burgess Products	Mar. 29
Greaves Organisation	Feb. 20
Palmerston Investment Trust	Feb. 17
Sharpe (Charles)	Feb. 17
Finals—	
Barclays Bank	Mar. 4
Gen. Accident Fire & Life Assur.	Feb. 18
Kingside Investment	Feb. 17
Morris (Herbert)	Feb. 18
Reliable Properties	Feb. 17
Royal Insurance	Mar. 1
Yeoman Investment Trust	Feb. 18

A dividend announcement will be made in due course.

● **comment**

Jefferson Smurfit's profits are much in line with expectations; profits before associates are 35 per cent. lower, but a full £1.1m. contribution here has kept the pre-tax decline to 26 per cent. If poor volume played havoc with the major Irish printing and packaging interests, it has allowed a £8½m. reduction in working capital, which, together with roughly £3m. worth of surplus asset sales, has reduced borrowing ratios dramatically from 64 per cent. to 17.2 per cent. of shareholder's funds. The interest savings will become apparent in the coming year, while substantial cuts in manning have established a more flexible cost base in Ireland. The U.K. interests have held up well, and other overseas interests in Nigeria are growing strongly, while the consolidation of Time Industries' results would have added £550,000 to pre-tax profits last year. After rising by nearly 40 per cent. in the last six months, the shares at 121p yield a historic 8.3 per cent., but the Irish economy is still giving cause for concern.

Direct Spanish off £377,000

PRE-TAX REVENUE of The Direct Spanish Telegraph Company declined by half from £751,000 to £374,000 during 1975 subject to tax of £70,000, compared with £291,000.

At halftime, with revenue showing an increase from £177,891 to £256,315, the directors forecast that earnings per 25p share in the second half would be below those of the first.

As predicted, the final dividend is kept at 2.75p net, which maintains the total at 3.8p, absorbing £348,661.

Net asset value per share at year end was 57.8p, compared with 43.7p. At January 31, 1976, net asset value had risen to 64.5p.

The directors say that the reduction in net revenue was substantially due to the much lower degree of liquidity held during 1975, compared with the previous year when interest rates were at an historically high level and the restructuring of the portfolio during 1975.

The reduction in liquidity was the result of the repayment of loans and of increased commitment to Stock Exchange investments.

SAI down on forecast

COMPARED WITH a forecast of a figure approaching £5m., profit before tax of Scottish Agricultural Industries was £4.59m. on sales of £78.74m. for the 15 months to December 31, 1975. In the 12 months ended September 30, 1974, the figure was £4.39m. on £46.64m.

Reporting pre-tax profit of £2.80m. on sales of £43.80m. for the nine months ended June 30, 1975, the directors said that the pre-tax profit for the 15 months would approach £5m.

The final dividend is 8.2669p net, against 5.8203p and makes a total of 13.7669p for the 15 months against 10.3203p for the previous year.

The fertiliser and feedstuff company is a subsidiary of Imperial Chemical Industries.

	15 mths. 1974-75 £000	Year 1973-74 £000
Sales	78,744	46,643
Pre-tax profit	4,589	4,393
Taxation	2,451	2,377
Trans. from Govt. grants	120	86
Goodwill written off	—	105
Ordinary dividend	1,163	872
Retained	1,095	1,125
Reserves	8,361	5,266

● **comment**

With an extra three months to take into account in SAI's 1975 figures, the profits picture is best seen against the company's own forecast last September of £5m. for the 15 months. On this basis, the pre-tax level has fallen a tenth short of expectations while, on an average 12 months basis, it is 16 per cent. below last year on a 35 per cent. increase in turnover. Even a comparison in margins is inappropriate, since the 15 months takes in two harvests instead of one. This would have greatly boosted turnover on the grain trading side but, this being an essentially low-margin area, would not have helped profits to the same extent. This situation is also likely to have caused a further increase in working capital requirements compared with the £14.3m. level reached last year, when short-term funds had already fallen by some £1m. Meanwhile, the fertiliser side is experiencing improved demand as a result of increased prices for potatoes, grain and dairy products. The shares at 218p yield an annualised 8.1 per cent.

Independent Newspapers upturn

The Irish-based Independent Newspapers, in which Fitzwilton holds a 24.4 per cent. stake, reports profit before tax more than doubled from £210,000 to £446,000 in 1975.

An unchanged final dividend of 12½ per cent. per 25p share is recommended making an unchanged total of 18 per cent.

The group's out-turn in the current year is largely dependent on the volume of advertising which has not risen significantly in the past three years.

New range of products from NPI

By Eric Short

A complete rationalisation of its product range has been made by the National Provident Institution, a leading mutual life company, following two years of market research and development. As a result NPI has reduced the number of contracts which it markets to 15, replacing completely the previous serious of 30 contracts. The company has designed a new range of leaflets aimed at making the purpose of the contracts more easily understood.

NPI has also lifted its policy limits to cut administration costs. The minimum sum assured is now £1,000 and the lowest monthly premium will be £2.50. The company has also completely revised its premium rates for all policies to improve its competitive position. Finally, it has simplified its method of bonus distribution by declaring a single compound rate on all new with-profit contracts.

This launch comes at the end of a period when the company has recorded successive years of record growth and increased its share of the life assurance market. It has concentrated during this period on its pension contracts, especially the Self-Employed Retirement Plan where it has established itself as a market leader. Mr. Gordon Bayley, the general manager of NPI, said that the company would now turn the emphasis to life assurance contracts.

Progress of Law Debenture

GROSS INCOME for 11 months to December 31, 1975, of the Law Debenture Corporation amounted to £898,406, pre-tax revenue was £558,923, and net available revenue £304,638.

For the previous 13 months period to January 31, 1975, gross revenue was £1,066,363, there was a pre-tax deficit of £366,958, and a net loss of £292,589. The pre-tax deficit was struck after items totalling £910,400 which included £737,202 write down of the holding company's investment to market value.

The directors point out that the figures for the 11 months are not comparable with those for the previous 13 months because of the internal reorganisation and the repayment in July of the then subsidiary's Swiss Franc Loan, and because income does not accrue evenly over the period.

Stated earnings per 25p share for 11 months were 3.13p (3.05p loss for 13 months). A final dividend of 2.234p makes a net total of 3.234p, compared with 3.822p for 13 months. The total is equal to an unchanged annual rate of 3.528p, costing, with the Preference payment, £344,643 (£399,666).

The directors expect that the net revenue available for Ordinary holders for the year 1976 will be in excess of the corporation's present rate of annual dividend. They forecast, subject to unforeseen circumstances, a total dividend of 3.6p.

	11 mths. 1975 £	13 mths. 1974-75 £
Frank income	445,097	335,650
Unfranked	167,835	227,418
Trustee fees	256,420	255,828
Invest. management	4,323	21,045
Other income	14,731	6,594
Total income	898,406	1,066,363
Admin. expenses	184,250	250,828
Loan interest	116,802	194,217
Bank interest	34,231	73,450
Audit fee	4,500	4,415
Net dealing losses	—	78,750
Invest. curncy. provn.*	—	94,448
Write down†	—	737,202
Revenue before tax	558,923	‡366,958
Taxation	225,079	††74,368
Extraord. expenses	29,206	—
Net revenue	304,638	‡292,589
Preference dividend	12,350	14,598
Ordinary	332,291	385,068

* Provision for investment currency premium on bank loan shortfall. † Write down of holding company investments to market value. ‡ Loss. †† Credit.

Net asset value per Ordinary unit was 91.8p (58p at January 31, 1975). Assuming full conversion of the 4¼ per cent. convertible unsecured Loan stock, the net asset value would have been 94.4p (64.9p.). These values include, where applicable, the full investment currency premium but takes no account of any tax which might be payable in the event of realisation.

INSURANCE DEAL COMPLETED

The agreement for the acquisition by Groupe des Assurances Nationales of 40 per cent. of the equity of Minster Insurances was completed yesterday.

...MBIA COPPER INVESTMENTS LIMITED (ZCI)

(Incorporated in Bermuda)

REPORT FOR THE QUARTER ENDED 31st DECEMBER 1975

(Covering mining company operations for quarter ended 30th September 1975)

ESTIMATED CONSOLIDATED RESULTS OF ZCI FOR QUARTER AND SIX MONTHS ENDED 31ST DECEMBER 1975

	Quarter ended 31st December 1975 U.S. $ 000's		Six Months Ended 31st December 1975 U.S. $ 000's		Year Ended 30th June 1975 U.S. $ 000's
...dends received or accrued from (Note 1)					
Nchanga Consolidated Copper Mines Limited (NCCM)	Nil		Nil		10 332
Roan Consolidated Mines Limited (RCM)	Nil		Nil		2 772
Other	8		8		4
Interest receivable and other revenue, less provisions (including expenses and foreign taxation) (Note 2)	95		178		2 802
	103		186		15 910
Adjustment arising from currency fluctuations	5	(503)		27	
...s: Transfer from (to) currency reserve	(5)	— 503	—	(27)	—
	103		186		15 910
Surplus on redemption of Government loans	—	291		—	
...s: Transfer to capital reserve	—	— 291	—	—	—
	103		186		15 910
...: Amount written off investment in prospecting companies (Note 3)	—		—		244
	103		186		15 666
...idends declared:					
Amount	Nil		Nil		4 902
—per share	Nil		Nil		4 (US cents)

...es:

DIVIDENDS

No dividends were declared by NCCM or RCM for the quarter ended 30th September, ...5, and there has been no change in the situation regarding the dividends previously ...d to the company by NCCM and RCM which in terms of Zambian regulations are ...iting externalisation.

FUNDING OF CASH SHORTFALL

ZCI has been obliged, as one of the principal shareholders in Botswana RST Limited ...ST), to provide substantial shareholders' loans to that company to enable it to meet funding requirements to Bamangwato Concessions Limited, in which BRST holds an ...per cent interest.

ZCI's liquidity has been severely strained, both by this fact and by the inability of Zambian Exchange Control Authorities to permit the externalisation on due date the Kwacha equivalent of approximately US$11.3 million of dividends received from ...CM and RCM in their years to 31st March and 30th June, 1975, respectively.

It therefore became necessary for ZCI to seek assistance from Minerals and Resources ...poration Limited (Minorco), and ZCI has obtained loans at commercial rates of interest ...m Minorco. The item "Expenses" in the tabulation above includes interest paid to ...norco on such loans, which must be repaid before any further dividends can be paid ...ZCI shareholders. As at 31st December, 1975, these loans totalled US$3 768 782.

PROSPECTING EXPENDITURE

No provision has been made for amounts to be written off prospecting investments ...respect of the quarter as this is considered annually at the financial year end.

ZCI has a 49 per cent interest in NCCM and a 12.25 per cent interest in RCM. The ...mated results of NCCM and RCM for the quarter ended 30th September, 1975, are ...follows:—

...CM

	Quarter Ended 30th September 1975	Six months Ended 30th September 1975
...duction (metric tons)		
...inished copper	81 090	175 800
...ead and zinc*	17 831	33 822
...es (metric tons)		
...opper	76 676	193 036
...ead and zinc*	13 038	24 200
...erage copper proceeds per metric ton)	K741	K778
...es Revenue—all metals	K63 800 000	K164 000 000
... profit (loss) after taxation	(K16 600 000)	(K25 100 000)
...inary dividends (see Note 1)	Nil	Nil
...oken Hill division		

...M

	Quarter Ended 30th September 1975
...ished copper produced (metric tons)	64 703
...pper sales (metric tons)	58 168
...erage proceeds (per metric ton)	K766
...es revenue—all metals	K46 650 000
...t profit (loss) after taxation	(K2 080 000)
...idends (see Note 1)	Nil

By order of the Board
Z. J. De Beer }
G. W. H. Relly } Directors

...mbroke, Bermuda,
...h February, 1976

...K. Registrars:
...arter Consolidated Limited,
...O. Box 102,
...arter House, Park Street,
...hford, Kent TN24 8EQ.

...uth African Registrars:
...nsolidated Share Registrars Limited,
... Marshall Street,
...hannesburg 2001,
...O. Box 61051, Marshalltown 2107),
...ansvaal, South Africa.

Registered Office:
Belvedere Building,
Pitts Bay Road,
Pembroke,
(P.O. Box 850 Hamilton 5),
Bermuda.

RECENT ISSUES

EQUITIES

Issue Price p**	Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p**	+ or —	Div. P. or Amount	Times covered	Gross Yield	P.E. Ratio
50c	F.P.	—	540	490	Ang.Am.Coal Corp. 50c	490	......	MQ58c	2.8	4.0	—
U.S.$	F.P.	—	$12¾	$12¼	Brazil Fund S.A.	$12¼	......	—	—	—	—
$10,500	F.P.	—	$10,500	$10,500	Brazilvest S.A.	$10,500	......	—	—	—	—
—	F.P.	—	£43	£39¾	Hughes Tool $L	£39¾	......	Q40c	—	0.[illegible]	—
10	F.P.	—	206	190	LASMO 'OPS' Units 10p	195	+5	—	—	—	—
10	F.P.	—	206	190	SCOT 'OPS' Units 10p	195	+5	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price	+ or —
‡‡£100	F.P.	7/4	102	98	Arbuthnot Lath. 8% Conv. Uns. 1988	102	+2
‡‡£100	F.P.	19/3	154	128	Bowring (C.T.) 10% Conv. Uns. Loan 1987	130	......
$100	—	—	99½	99	British Gas Corporation Ltd. Notes 1981	$99	......
£98	F.P.	23/1	104½	98½	Essex Water 9% Red. Pref. 1981	100xd	—2
♣HK$100	50	26/6	12½	825p	Jardine Math. 7½% Conv. Uns. 1990	11¼	......
£100	£50	—	32½	30	LASMO 14% Uns. Loan 81-83	31	—½
$100	F.P.	—	99½	99½	Midland Bk. FloatCap. Notes 1983	$99½	......
$100¼	F.P.	—	100	99¾	Norway 8½% $ Notes 1981	100	......
£100	—	16/2	108	92	Pentos 15% Conv. Uns. 1985	108	......
$100	F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9½ Deb. 1981	$99½	......
£100	£50	—	32½	30	SCOT 14% Uns. Loan 81-83	31	—½
$100	F.P.	—	99½	99½	Seagram 8% Notes 1983	$99½	......
♣50p	F.P.	17/11	50¼p	45p	Singlo 10% Cum. Conv. Pref.	49½	......
‡‡£100	F.P.	20/2	129	110	Tenneco 10% Sterling $ Conv. 91-95	125½	+½

"RIGHTS" OFFERS

Issue Price p**	Amount Paid up	Latest Renunc. Dates †	‡	1975/6 High	1975/6 Low	Stock	Closing Price p**	+ or —
10	F.P.	2/2	1/3	29	26½	Amber Dev.	26	—2
54	F.P.	4/2	26/3	76	67	Armitage Shanks	67	......
60	F.P.	13/2	12/3	65	60½	Baker Perkins	63	+½
25	F.P.	11/12	5/3	146	94	Berisford (S. & W.)	144	—1
120	Nil	—	—	20	17½	Blackwood Hodge	18½pm	—½
55	Nil	6/2	5/3	93	85	Brentnall Beard	86	......
32	F.P.	21/1	20/2	44	36	Brooke Bond	40	—½
25	Nil	17/2	24/3	2¾	⅝	Brown Boveri Kent	2¾pm	+¾
75	Nil	—	—	22	18	Carpet Intnl	19½pm	—1
60	F.P.	19/6	20/2	77½	64¾	Fairey	77½	......
87	F.P.	9/1	20/2	80	75	Green's Economiser	77	......
50	F.P.	26/1	12/3	70	60½	Lake & Elliot	66	......
13	F.P.	13/2	16/3	23	18	Liner Concrete Machinery	19	+1
57	Nil	—	—	10½	8¼	Lloyd (F.H.)	10½pm	......
$1.60	F.P.	30/1	13/2	302	270	Nat. Bank of Aust.	285	......
110	Nil	25/2	19/3	35	24½	Ocean Transport	25½pm	—½
64	Nil	24/2	25/3	27	22	Stenhouse Hldgs	22pm	—1½
80	Nil	25/2	24/3	12	10	Strong & Fisher	10pm	—1
10	F.P.	6/2	2/4	14	12¼	Tomkins (F.H.)	12¼	—¼
103	Nil	—	—	33	25	Wolseley-Hughes	25pm	......

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. *u* Forecast dividend; cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ✝ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ± Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ¢ With warrants.

INTERIM STATEMENTS

John James Group of Companies Limited

INTERIM REPORT FOR HALF YEAR TO 30th SEPTEMBER 1975

Group trading has continued its steady improvement and the Board anticipates that this will be maintained during the second half of the year. Although turnover increased by over 25%, profit margins have suffered owing to price controls.

The Board has decided to pay an increased Interim Dividend of 0.975p for each ordinary share (last year's payment was 0.875p per share).

Dividend warrants will be posted on 31st March, 1976, to those Shareholders who are on the Share Register at the close of business on 5th March, 1976.

GROUP RESULTS

	Unaudited for the half year to 30.9.75 £	30.9.74 £	Audited for the year to 31.3.75 £
Group turnover	5,918,553	4,666,649	9,933,321
Profit before taxation	756,551	694,686	1,677,614
less taxation	313,262	267,319	662,072
Profit after taxation	443,289	427,367	1,015,542
less minority interests	4,445	6,571	13,779
Profit attributable to the Group	438,844	420,796	1,001,763
Interim dividend per share	0.975p	0.875p	2.125p
Cost of Interim Dividend	254,168	215,937	530,544
Earnings per share	1.56p	1.49p	3.55p

ABERCOM INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

INTERIM PROFIT STATEMENT

The Directors are pleased to announce another set of record results for the six months ended 31st December, 1975.

Year ended 30.6.75 (R'000)		Six months ended 31.12.75 (R'000)	31.12.74 (R'000)	Percentage increase
78,428	Group turnover	50,764	36,373	39.6
10,347	Group profit before tax	5,590	4,315	29.5
3,454	Taxation	1,912	1,467	
6,893	Group profit after tax	3,678	2,848	29.1
614	Outside shareholders	258	305	
6,279	Earned for Ordinary shares	3,420	2,543	34.5
11,992,000	Issued ordinary shares	*13,619,000	11,943,000	
52.4	Earnings per share—cents	25.1	21.3	17.8
29.9	Earnings per share—pence (present equivalent)	14.3	12.2	

*Number of issued ordinary shares at 30.6.75	12,041,651
Rights issue to Shareholders and Noteholders	1,223,091
Issued for new acquisition	258,065
Paid up in full under share incentive scheme	96,428
Issued ordinary shares at 31.12.75	13,619,235

DIVIDEND

An Interim Dividend of 10 cents per share (1974—8 cents) was declared on 2nd December, 1975 to Shareholders registered on 24th December, 1975, and will be paid on or about 26th March, 1976. This Dividend absorbs R1,378,000. Its present equivalent sterling value is 5.7 pence per share.

FORECAST

The Group's contract engineering companies remain very busy, while other companies which supply consumer and housing durables are experiencing very competitive and slightly recessed conditions. The forecast total dividend for the year of not less than 28.5 cents (1975—26 cents) still stands, i.e. a final of at least 18.5 cents (1975—18 cents).

By Order of the Board,
D. J. McLOUGHLIN, Secretary.

12th February 1976.

THE THROGMORTON SECURED GROWTH TRUST LIMITED

INTERIM REVENUE STATEMENT

The Board of Directors announce the following unaudited interim revenue figures of the company for the six months ended 31st January, 1976.

	Six Months to 31.1.76 £	Six Months to 31.1.75 £	Year Ended 31.7.75 £
Gross Revenue	318,075	358,631	699,035
Less: Administration	193,623	207,481	405,832
	124,452	151,150	293,203
Less: Taxation	47,923	55,963	106,593
	76,529	95,187	186,610
Unappropriated Revenue brought forward	31,175	32,065	32,065
NET REVENUE AVAILABLE FOR DISTRIBUTION	£107,704	£127,252	£218,675
Earnings per share	0.77p	0.95p	1.87p
DIVIDENDS			
Interim 2.45% (payable April) (1975—2.45%)	61,250	61,250	61,250
Final (payable November) (1975—5.05%)	—	—	126,250
COST OF DIVIDENDS	£61,250	£61,250	£187,500
Unappropriated Revenue carried forward	£46,454	£66,002	£31,175
	31.1.76	31.1.75	31.7.75
NET ASSET VALUE	120.4p	54.9p	73.6p

Based on middle market prices for all securities and deducting the Company's debenture stock at the middle market price.

At a meeting of the Board of Directors held today, it was resolved that an Interim Dividend of 2.45% Net (1975—2.45%) be paid on 2nd April, 1976 in respect of the year to 31st July, 1976, to shareholders on the register as at 5th March, 1976.

12th February, 1976.

MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

REPORT FOR THE HALF-YEAR ENDED 31st DECEMBER, 1975

The following are the unaudited results of Minerals and Resources Corporation Limited (Minorco) and its subsidiaries for the half-year ended 31st December 1975, together with the comparative figures for the half-year ended 31st December 1974 and the year ended 30th June 1975. These should be read in conjunction with the adjoining notes:

	Half-Year Ended 31.12.75 US$000's		Half-Year Ended 31.12.74 US$000's		Year Ended 30.6.75 US$000's	
Investment income:						
Dividends from investments (Note 1)		3 629		6 345		10 431
Interest and net sundry income (Note 3)		1 489		3 430		6 781
		5 118		9 775		17 212
Deduct:						
Administration and other expenses	711		661		1 431	
Interest paid	192		255		365	
Provision against prospecting investments (Note 6)	1 600	2 503	1 600	2 516	3 523	5 319
Profit before taxation		2 615		7 259		11 893
Foreign taxation (after adjustment for previous year)		30		94		476
Profit after taxation		2 585		7 165		11 417
Add: Transfer from prospecting reserve	—		—		323	
Loss (Profit) arising from currency realignments	252		(1)		1 101	
Less: Transfer from (to) currency reserve	(252)		1		(1 101)	
Unappropriated profit brought forward	14 207		12 541		12 541	
Adjustment thereto arising from currency fluctuations	84		—		252	
	14 291	14 291	12 541	12 541	13 116	13 116
Available for appropriation		16 876		19 706		24 533
Appropriations:						
Transfer to capital reserve		169		—		—
Dividends:						
'A' ordinary shareholders (Note 4)		3 437		3 407		5 892
Ordinary shareholders		Nil		2 534 (8 cents).		4 434 (14 cents)
Unappropriated profit carried forward		13 270		13 765		14 207
		16 876		19 706		24 533

NOTES:

1. Dividends

The lower overall profits for the six months to 31st December 1975 resulted mainly from reduced dividend income from the corporation's investments in copper. If the net dividend income received by the corporation from Engelhard Minerals & Chemicals Corporation and attributable to the "A" ordinary shareholders (see below) is excluded, the past six months resulted in a loss of approximately US$ 852 000 attributable to the ordinary shares. Accordingly, no dividend has been declared on the ordinary shares.

In terms of the conditions of issue of the "A" ordinary shares of Minorco, the dividends totalling US$ 3 461 558 received from Engelhard Minerals & Chemicals Corporation (EMC) were passed on, after deduction of expenses attributable thereto, to the holders of the "A" ordinary shares (see Note 4). The special arrangements relating to the "A" shares will terminate after the payment of any final dividends for the year ending 30th June 1976 on the ordinary and/or "A" ordinary shares, whereupon the "A" shares will become ordinary shares.

Minorco holds a 49.98 per cent interest in Zambia Copper Investments Limited (ZCI) which in turn holds a 49 per cent interest in Nchanga Consolidated Copper Mines Limited (NCCM) and a 12.25 per cent interest in Roan Consolidated Mines Limited (RCM). No dividends were declared by NCCM or RCM for the quarter ended 30th September 1975, and there has been no change in the situation regarding the dividends previously paid to ZCI by NCCM and RCM which in terms of Zambian regulations are awaiting externalisation.

2. Loan to ZCI

ZCI has been obliged as one of the principal shareholders in Botswana RST Limited (BRST), to provide substantial shareholders' loans to that company to enable it to meet its funding requirements to Bamangwato Concessions Limited, in which BRST holds an 85 per cent interest. This fact, combined with the inability of the Bank of Zambia to externalise on due date dividends received in Zambia by ZCI from NCCM and RCM (paragraph 3 of Note 1 refers), has severely strained ZCI's liquidity. To assist ZCI therefore, the corporation has made loans at commercial rates of interest to ZCI. These loans, which are repayable before any further dividends are paid by ZCI, totalled US$ 3 768 782 at 31st December 1975.

3. Interest Received

Interest includes interest received from ZCI in respect of loans per Note 2 above.

4. "A" Shares

a) Net profit attributable to the "A" ordinary shareholders is as follows:

	U.S.$
Dividends from EMC	3 461 558
Less: Expenses directly attributable to "A" ordinary shareholders plus amount retained	24 887
Net profit distributed as in (b) below	3 436 671

b) Dividends on "A" ordinary shares:

	U.S.$
No. 5 of 3.65 cents (U.S.) a share declared 29th September 1975	1 529 738
No. 6 of 4.55 cents (U.S.) a share declared 16th December 1975	1 906 933
	3 436 671

5. SMTF Copper Project in Zaire

The attention of members is directed to the announcement published in the Press on 24th January, 1976 referring to the temporary suspension of the development of the Tenke-Fungurume project in Zaire.

Since the agreement for Minorco to acquire from Charter Consolidated Limited a participation in this project was conditional upon the completion of the financing, this arrangement now lapses. When the project goes ahead a participation for Minorco will be considered afresh.

6. Prospecting Investments

The item "Provision against prospecting investments" represents a proportion of the estimated prospecting expenditure to be written off against profits earned in the year ending 30th June 1976.

Directorate

At the Annual General Meeting held on 16th October 1975 all the directors of the corporation were re-elected and the Board thereafter re-elected Mr. W. D. Wilson and Mr. S. Spiro, M.C., as President and Vice-President, respectively, to hold office until the next Annual General Meeting.

On 12th February, 1976, Mr. N. K. Kinkead-Weekes resigned from the board and Mr. J. D. Taylor, Q.C., was appointed a director in his stead.

By order of the Board
G. W. H. Relly } Directors
W. D. Wilson }

Registered Office:
Belvedere Building,
Pitts Bay Road,
Pembroke,
(P.O. Box 650 Hamilton 5)
Bermuda

U.K. Registrars:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent TN24 8EQ

S.A. Registrars:
Consolidated Share Registrars Limited,
62 Marshall Street,
Johannesburg 2001
(P.O. Box 61051 Marshalltown 2107)

12th February, 1976

BIDS AND DEALS

Morgan Grampian shuns Communica approach

Communica-Europa, the Dutch-based company controlled by major U.S., U.K. and Brazilian publishing houses, has made an approach to the Board of Morgan-Grampian, which may lead to a £7.18m. offer for the London journal publishing company, at a price of 70p per share.

However the Morgan Grampian Board immediately issued a statement yesterday stating that it "is not interested in having discussions on the basis of the letter received from Communica." Furthermore it said that holders of more than 50 per cent. of the shares have indicated their lack of interest.

Communica-Europa's three principal shareholders, each with a holding of about 20 per cent., are News International, the U.K. company chaired by Mr. Rupert Murdoch which publishes the "News of the World" and the "Sun" newspapers, Gannett Company of the U.S., and TASEC, part of the Brazilian, Editora de Guias group.

"There are a number of important matters which must be resolved before it is known whether an offer will or will not be made," a statement from Morgan Grenfell, Communica-Europa's advisors, said.

A spokesman for Morgan Grenfell said that discussions had been going on since November, 1975.

Morgan-Grampian's share price was unchanged at 65p after the news having moved up 3p previously. It reached a 1975-76 low of 26p.

Morgan-Grampian reported a turnround from a loss of £5,000 to a pre-tax profit of £312,000 for the half-year to September 30, 1975. Profit for the year to March, 1975, was £556,000.

AUSTRALIAN EQUITABLE

The National Insurance Company of New Zealand will acquire Australian Equitable Insurance Company, a non-life company, for a cash consideration. The acquisition does not include Invincible Life and General Insurance Company, the life company.

AEI is a wholly-owned subsidiary of Hill Samuel Life Assurance of the U.K.

NEB DECISION ON BROWN BOVERI STAKE

Decisions on whether the public holding in Brown Boveri Kent, already 49 per cent. Swiss-owned, should be maintained through the taking up of £260,000 of new shares under the present rights issue will be made by the National Enterprise Board.

The NEB is taking over the 12½ per cent. stake in BBK now held by the Department of Industry, which inherited the interest from the old Industrial Reorganisation Corporation. Terms for this transfer are now being negotiated.

The £2.1m. rights issue is being underwritten by the Swiss group Brown Boveri, which obtained its present large stake in the British group when it linked in 1974 with the former George Kent, whose special instrument business was hived off separately.

Through underwriting the BBK issue, Brown Boveri of Switzerland could raise its interest to a majority level of up to 59.2 per cent., depending on the extent to which other holders take up their rights. Rank Organisation, with 9.1 per cent. of BBK, has already said it will not take up its rights.

STURGE OFFSHOOT PURCHASED

A subsidiary of Birmingham-based John and E. Sturge chemicals group, Sturge Automation, has been acquired by Carlo Gavazzi SpA, a multi-national group with headquarters in Milan.

Directors of Sturge Automation, a microcomputer company, say backing from the Gavazzi group will give much more potential with greater resources available for product improvement and support.

Development of microcomputer systems will be accelerated and Sturge Automation will continue to offer a control and data handling systems service.

NEWMAN-TONKS PAYS £279,142 FOR DECORETTES

In line with its policy of diversification the Newman-Tonks Group has acquired from Canada Decaleomania Company, the capital of Decorettes, together with its subsidiary company, Eagle Transfers, for a cash consideration of £279,142. The net assets being acquired are £288,000 and the forecast profits for 1975 are £110,000 before tax.

Decorettes is a non-trading holding company and Eagle Transfers a manufacturing and marketing company with two major sales divisions. The industrial division is in graphic communications and manufactures all types of decalcomana and pressure-sensitive products for vehicle marking, product marking, and point of sale.

The consumer products division manufactures and markets all types of transfers for resale to the public ranging from conventional designs for home decoration to exclusive Disney cartoon transfers for toys, childrens' cots, etc.

The company has a "know-how" agreement with the Meyercord Company, Chicago, Illinois, which ensures a continuing flow of technical and sales information, together with up-to-date details of research and development progress in the U.S.

Coated Metals 'no' to C. Walker

ADVISING holders of Coated Metals (Holdings) to reject the 85p per share offer from C. Walker and Sons, the chairman, Mr. G. T. Cantlay, describes trading prospects for the company as "good" and says a programme is in hand to increase production capacity.

He forecasts sales of about £7m. and pre-tax profit of £0.3m. for the year ended May 1, 1976. For the first eight months profit was £143,000, compared with a loss of £102,000.

He describes the year ended May 3, 1975 as "a most difficult period and reflected severe destocking in the home market." Sales were lower at £5.14m. and although a profit was made before charging special items of £106,000, an overall loss of £61,000 was incurred, compared with a record £317,000 the previous year.

Mr. Cantlay says that by mid-1977 annual capacity will have been increased by 40 per cent., thus allowing the company not only to take advantage of increasing demand for existing products but also to sell new products in wider markets, particularly to the building industry.

The directors would expect to recommend a gross dividend total of 10.5p, the same rate as the year 1972-73. Gross dividend for the year 1974-75 was reduced from 11.025p to 4.59p. Assuming an unchanged rate of tax credit, final dividend for the current year will be 5.325p net.

The chairman notes that that offer from C. Walker "totally inadequate" would not entitle holders to retain this final dividends.

The directors will not accept in respect of their own holdings of 29,972 shares (2.6 per cent.). United Capitals Investment Trust, of which Mr. Cantlay is a director and substantial shareholder, owns 67,661 Coated Metals shares (5.9 per cent.) and will also not accept.

● comment

Coated Metals may well be in an extremely cyclical industry, a fact reflected in the group's erratic profits record, but C. Walker's 85p per share offer hardly looks generous enough. CM's profits are on the uptrend at the moment and on forecast pre-tax profits of £300,000, or earnings of 12.6p, the exit p/e is 6.7. After restoration of the gross dividend to 1973 levels, which is implied by the forecast of a 130 per cent. increase in the payout, the yield at the bid price is 12.8 per cent., covered 1.8 times. The market's response was to push the shares up another 8p to 105p last night, where the yield is 10 per cent. The question of asset backing for the shares (a mere 28½p, after deducting goodwill and leasing costs) and the group's liquidity position remain to be cleared up. Net borrowings of £692,000 were more than twice shareholders' funds in the last balance sheet and £300,000 of this is due for repayment in the next financial year. However, the market's view seems much fairer than C. Walker's.

TRUSTS MERGER PROPOSED

Scottish Investment Trust and Second Scottish Investment Trust are considering proposals for an amalgamation of the two companies by a scheme of arrangement. The basis and terms of amalgamation are being considered with the companies' advisers and, will be announced in due course.

Both trusts are based in Edinburgh, and at February 5, the investments of Scottish Investment Trust had an approximate market value of £36m., and those of Second Scottish Investment Trust £66m.

See Lex

FRENCH GROUP HAS 40% OF MINSTER INSURANCE

Minster Assets said two French insurance companies have increased their stake in Minster Insurance to 40 per cent., for which they paid £4.2m. to Minster Insurance and £1.02m. to Minster Assets group.

Les Assurances Nationales Cie Francaise D'Assurances Sur La Vie and Les Assurances Nationales Cie Francaise D'Assurances Et De Rassurances Incendie, Accidents, Risque Divers, now hold 31.03 per cent. of the voting Ordinary shares plus enough non-voting shares to take their equity stake to 40 per cent.

SLATER WALKER MERGES TRUSTS

Unitholders in the Slater Walker Income and the Slater Walker High Income trusts have been sent details of a scheme of amalgamation for the two trusts and meetings of unitholders will be held on Monday, March 8 when, subject to approval, the two trusts will be merged to form the Slater Walker Income and Growth Trust.

The managers will bear all the costs of the scheme which is part of a general plan to bring the total number of Slater Walker trusts down by half to 21 during the course of 1976.

BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, February 11. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except fo[r] sterling (and those currencies at pa[r with] sterling) which is quoted in dollars per [sterling] unit. These rates are asterisked.

All rates quoted are for indication p[urposes] only and are not based on, and are not i[ntended] to be used as a basis for, particular trans[actions]. By quoting the following exchange rates [Bank] of America NT & SA does not undert[ake to] trade in all listed foreign currencies an[d does] not assume any responsibility for any er[rors in] the table below.

Eurodollar Libor Rate as of February 12 at 11.00
3 months: 5 11/16   6 months: 6 1/16

SDR1—$US1.17164

Country	Currency	Value of DLR
Afars & Issas	Djibouti Franc	168.4986
Afghanistan	Afghani (o)	45.30
Albania	Lek (m)	4.9738
Algeria	Dinar (a)	3.9659
Andorra	Fr. Franc	4.4480
	Sp. Peseta	66.14
Angola	Ang. Escudo	27.19
Antigua	E. Caribbean $	2.3647
Argentina	Ar. Peso (m)(†)	69.795
Australia	Australian $	0.7917
Austria	Schilling	18.22
Azores	Port. Escudo	27.19
Bahamas	Ba. $	1.00
Bangladesh	Taka	14.7700
Bahrein	Dinar	0.3958
Balearic Is.	Sp. Peseta	66.14
Barbados	Barbados $	2.0025
Belgium	B. Franc (m)	39.04
Belize	B $	1.9706
Bermuda	Bda. $	1.00
Bhutan	Indian Rupee	8.9206
Bolivia	Bolivian Peso	20.20
Botswana	S. A. Rand	0.8695
Brazil	Cruzeiro	9.22
Br. Solmn. Is.	Australian $	0.7917
Br. Virgin Is.	U.S. $	1.00
Brunei	Brunei $	2.4785
Bulgaria	Lev	0.96
Burma	Kyat	6.5323
Burundi	Burundi Franc	78.50
Cambodia	Riel (a)	10,000.00
Cameroun Rp.	C.F.A. Franc	222.40
Canada	Canadian $	0.9959
Canary Is.	Sp. Peseta	66.14
Cape Verde Is.	Cape V. Escudo	27.19
Cayman Is.	Cay. Is. $	0.8350
Cent. Af. Rp.	C.F.A. Franc	222.40
Chad	C.F.A. Franc	222.40
Chile	Ch. Peso (m)	16.08
China	Renminbi Yuan	1.9467
Colombia	Col. Peso (m)	33.315
Comoros I'ds	C.F.A. Franc	222.40
Congo (B'lle)	C.F.A. Franc	222.40
Costa Rica	Colon	8.57
Cuba	Cuban Peso	0.8259
Cyprus	Cyprus £	0.3947
Czechoslovakia	Koruna (m)	5.8626
Dahomey	C.F.A. Franc	222.40
Denmark	Danish Krone	6.1120
Dominica	E. Caribbean $	2.3647
Domin. Rep.	Domin'cn Peso	1.00
Ecuador	Sucre (o)	24.825
Egypt	Egyptian £ (o)	0.3905
Ethiopia	Ethiopian $	2.0853
Eq'l Guinea	Peseta	66.14
Falkland Is.	Falkland Is. £*	2.0388
Faro Is.	Danish Krone	6.1120
Fiji Is.	Fiji $	0.8580
Finland	Markka	3.8245
France	French Franc	4.4480
Fr. C'tyln Af.	C.F.A. Franc	222.40
Fr. Guiana	Local Franc	4.4480
Fr. Pac. Is.	C.F.P. Franc	80.00
Gabon	C.F.A. Franc	222.40
Gambia	Dalasi	1.9706
Germany (E)	Ostmark (m)	2.5400
Germany (W)	Deutschemark	2.5400
Ghana	Cedi	1.1538
Gibraltar	Gibraltar £*	2.0298
Gilbert & Ellice Is.	Aust. $	0.7917
Greece	Drachma	35.045
Greenland	Danish Kroner	6.1120

Country	Currency	Value of DLR
Grenada	E. Caribbean $	2.3647
Guadaloupe	Local Franc	4.4480
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep.	Sily	19.83
Guinea Bissau	Port. Escudo	27.19
Guyana	Guyanese $	2.5536
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	5.0015
Hungary	Forint (m)	29.65
Iceland	I. Krona	171.10
India	Ind. Rupee	8.9206
Indonesia	Rupiah	415.00
Iran	Rial	69.275
Iraq	Iraq Dinar	0.2953
Irish Rep.	Irish £*	2.0298
Israel	Israeli £	7.28
Italy	Lira	739.75
Ivory Coast	C.F.A. Franc	222.40
Jamaica	Jamaican $	0.9091
Japan	Yen	300.35
Jordan	Jdn. Dinar	0.335
Kenya	Ken. Shilling	8.2619
Korea (Nth.)	Won (a)	0.94
Korea (Sth.)	Won	484
Kuwait	Kuwait Dinar	0.2935
Laos	Kip (a)	5,000.0
Lebanon	Lebanese £	2.4150
Lesotho	S. African Rand	0.8693
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenst'n	Swiss Franc	2.5535
Luxembourg	Lux. Franc (m)	39.04
Macao	Pataca	5.2727
Madeira	Port. Escudo	27.19
Malagasy Rp.	MG Franc	222.40
Malawi	Kwacha	0.8865
Malaysia	Malaysian $	2.5677
Maldive Is.	Mal. Rupee	7.7015
Mali Rp.	Mali Franc	444.80
Malta	Maltese £	0.4057
Martinique	Local Franc	4.4480
Mauritania	Ouguiya	44.48
Mauritius	M. Rupee	6.5825
Mexico	Mexican Peso	12.4906
Miquelon	C.F.A. Franc	222.40
Monaco	French Franc	4.4480
Mongolia	Tugrik (m)	3.3555
Montserrat	E. Caribbean $	2.3647
Morocco	Dirham	4.0889
Mozambique	Moz. Escudo	27.19
Nauru Is.	Aust. $	0.7917
Nepal	Nepalese Rupee	12.560
Netherlands	Guilder	2.6505
Neth. Ant'les	Antillian Guild	1.80
New Hebrides	Aust. $	0.7917
	Fr. Franc	4.4480
N. Zealand	NZ $	0.9538
Nicaragua	Cordoba	7.02625
Niger Rp.	C.F.A. Franc	222.40
Nigeria	Naira	0.6236
Norway	Nrwg. Krone	5.5810
Oman Sultanate of	Rial Omani	0.3454
Pakistan	Pkst. Rupee	9.9942
Panama	Balboa	1.00
Panama Canal Zone	U.S. $	1.00
Papua N.G.	Kina	0.7917

Country	Currency
Paraguay	Guarani (m)
P'ple D. Rp. of Yemen	S. Yemen Dinar
Peru	Sol
Philippines	Ph. Peso
Pitcairn Is.	NZ $
Poland	Zloty (m)
Portugal	Port. Escudo
Port Timor	Timor Escudo
Principe Isle	Port. Escudo
Puerto Rico	U.S. $
Qatar	Qatar Ryal
Reunion Ile de la	French Franc
Rhodesia	Rhd. £
Romania	Leu
Rwanda	Rwanda Franc
St. Christopher	E. Caribbean $
St. Helena	£ Sterling*
St. Lucia	E. Caribbean $
St. Pierre	C.F.A. Franc
St. Vincent	E. Caribbean $
Salvador El	Colon
Samoa (Am)	U.S. $
San Marino	Italian Lira
Sao Tome	Port Escudo
Saudi Arabia	Ryal
Senegal	C.F.A. Franc
Seychelles	S. Rupee
Sierra Leone	Leone
Singapore	Singapore $
Somali Rep.	Som. Shilling
S. Africa	Rand
S.W. Africa Territories	S.A. Rand
Spain	Peseta
Span. Ports in N. Africa	Sp. Peseta
Sri Lanka	S.L. Rupee
Sudan Rp.	Sudan £
Surinam	S. Guilder
Swaziland	Emalangeni
Sweden	S. Krona
Switzerland	Swiss Franc
Syria	Syria £
Taiwan	New Taiwan $
Tanzania	Tan. Shilling
Thailand	Baht
Togo Rp.	C.F.A. Franc
Tonga Is.	Pa'anga
Trinidad	Trin. & To'go $
Tunisia	Tunisian Dinar
Turkey	Turkish Lira
Turks & C's	U.S. $
Uganda	Ug. Shilling
Utd. Kingdom	£ Sterling*
Un'd A'b Emir	UAE Dirham
USSR	Rouble
Upper Volta	C.F.A. Franc
Uruguay	Urug. Peso (m)
Vatican	Italian Lira
Venezuela	Bolivar (m)
Vietnam (N)	Dong (a)
Vietnam (S)	Piastre (a)
Virgin Is. US	U.S. $
Western Samoa	Samoan Tala
Yemen	Ryal
Yugoslavia	New Y. Dinar
Zaire Rp.	Zaire
Zambia	Kwacha

n.a. Not available. (m) Multiple exchange rate system, commercial rate used. (a) Approximate rate. (o) Official. * U.S. dollars per sterling unit. † Argentine peso: commercial rate for peso is no longer being quoted; above rate is on financial rate.

…payments Dallas …k arm

…y Campbell

…nternational Bancshares London merchant bank- … of the Dallas-based group which includes …tional Bank in Dallas, …unced 1975 profits of after tax and loan loss … This compares with the previous year. Pre-…ts, after allowing for …s, were £680,664, up …3,400.

…an loss provision last £353,488, compared with … in 1974. Last year's …s related almost wholly …ne loans (most notably …perty loans) as had … provision to be made …

…even Davis, managing …f the bank, said to-day …gnificant proportion of …sion made last year had …n released due to repay… considerably more than … expected on the largest …an against which pro…d been made.

…ssets of the bank rose … to £95m. during 1975. …turing after one year … from £20m. to £36m. … share capital was …d at £8m. while share-…unds rose from £8.2m.

…tional Commercial … of the London-based …n banks, has announced …ase in issued share …m £5m. to £7m. due to …ed revenue reserves.

* *

…velopment Bank Hold-… Luxembourg holding … for a number of banks …he world including … National Bank of New … announced net earn-… taxes, loan loss provi-… transfer to reserves of …st year. This compares …m. in 1974. It is paying …d of 44 cents per share …tax) in May. Consoli-…ets of the group rose …bn. to $2.6bn. during … Capital funds employed ….3m., up from $217.6m.

…ney expects …th quarter …s gain

PHOENIX, Feb. 12.

…NNEY expects fourth …ales will rise 15.6 per … the level a year ago. …dent and treasurer …altinick told analysts. …l sales for the year to …24 should increase by …nt.

…esident and Regional …manager Robert R. Van…id capital expenditure … of the years 1977-79 …e less than the $256m. …y announced as planned

…d Penney will add to …mitments as conditions

…can growth

… quarter net earnings at … Brands were 97c (72c). …sents earnings of $26m. … after sales of $1bn. … For the full year, earn-…share were $5.63 ($4.40) …total net basis $148.3m. … Sales reached $4bn. … Net income in 1974 was … reported at $136.7m. (or …are) but it was restated …ccounting change.

Abercom earnings growth at the half-way mark

BY RICHARD ROLFE

JOHANNESBURG, Feb. 12.

ABERCOM'S profits for the six months to end-December reflect a digestion phase after last year's acquisitions, of which Hunslet Taylor was the most important, but the group has managed to make good progress at the earnings level despite share capital up 1.m. shares at 13.6m. Turnover rose from R36.3m. to R50.7m. for the half year and at the pre-tax level profits were up from R4.3m. to R5.6m., showing weaker margins. The net figure after tax and minorities is R0.9m. to the good at R3.4m. and earnings per share improved from 21.3c to 25.1c. The interim dividend has been raised from 8c to 10c.

The results should not displease Abercom's followers, both in the Republic and in the U.K. The Board forecasts a final dividend of at least 18.5c to make 28.5c for the year which puts the shares on a prospective 8.4 per cent. yield, which is certainly a sign of the times. Indeed, the group's dividend forecasts have been on the conservative side before and it will not go unnoticed that the rise in the final is proportionately a lot less than in the interim.

The Board says that group companies supplying the contracting and engineering business "have remained very busy" and have been the prime source of higher profits. But those engaged in supplies to the house building and consumer durable sectors have had a much tougher time and the news to-day that the Government's anti-inflation programme is to be extended for another six months to end-September will not help sentiment in these areas.

The report, due to be posted next week, will contain a full profit breakdown. But in the meantime it is clear that a big proportion of the turnover increase can be ascribed to Hunslet-Taylor which, however, has not yet become a significant profit contributor. Indications are that when Abercom manages to pull round Hunslet, which it acquired from GFSA, to better profitability, margins overall should improve again. The shares remain an important South African growth stock and when market conditions improve the rating will no doubt follow.

PPC to revise its bid for Cape

BY RICHARD ROLFE

JOHANNESBURG, Feb. 12.

WITH THE NEWS that Pretoria Portland Cement's bid for Cape Portland is to be revised, dealings in the shares have been suspended in both London and Johannesburg and the reason seems to be last week's increase in the controlled price of cement. The 16½ per cent. increase will benefit Cape proportionately more than PPC and a higher price to the 42 per cent. minority (since PPC already holds 58 per cent. of the Cape shares) seems assured. The original terms were 270c cash or one PPC share and 40c cash for one Cape. At the suspension price of 290c for PPC, the share-cum-cash offer was worth 330c against 285c in the market for Cape.

Dealings in Cape this week have been confined to 450 shares on Tuesday, according to the Johannesburg stock exchange's official figures, but brokers confirm a special bargain, which does not form part of the individual share trading statistics, in 300,000 shares the same day at a price of 350c. This suggests that all of the minority will now have to be bought out at the same price.

Fundamentally there is not much to choose between PPC and Cape in terms of asset or replacement value but the main case for a better price to the Cape minority is that while its dividends have been held back to help fund capital spending of R15.6m. on a new kiln—so that last year 18c was paid out of 62c earnings—the period of high capital expenditure is now over, and Cape shareholders could look forward to a substantial rise in dividends. By contrast, PPC is still midway through its own major capital spending programme and the dividend benefits of accepting will therefore be deferred for the Cape shareholders.

Hard times for SA brokers

BY RICHARD ROLFE

JOHANNESBURG, Feb. 12.

A NUMBER of Johannesburg broking firms, including some of the best known and biggest partnerships, are believed to have been losing money for the past few months as a result of the low level of stock market trading. Best informed estimates are that the broking community needs daily turnover somewhere between R3m.-R4m. to break even, but since the beginning of November the average daily value has been only R2.2m. The published figures, moreover, do not include all dealings as arbitrage deals may fall outside their scope; and with some of the main arbitrageurs earning more than 50 per cent. of their profits from off-market deals, effectively the breakeven point could be as high as R6m.

It goes without saying that broking is a cyclical industry. In January 1974, for example, daily trade ran up to about R11m. per day during the gold boom, while the earlier industrial boom saw trading up to R17m. But it is hard to see when these days might come again and broking firms are now pruning staff, cutting salaries by up to 25 per cent. and of course partners are, in many cases, living off capital. One major arbitrageur is having all his open telex expenses, running at R1,000 per month, picked up by his London associate instead of the normal 50:50 basis.

Some have managed to reduce office space, and firms with old premises are often paying no more than 27c per square feet per month for rent. But in more prestigious offices the figure can be as high as 45c. Mergers are unlikely, despite the London parallel. The Johannesburg firms are less specialised and a merger may simply mean inheriting a number of expensive partners without bringing in more business.

London dealing direct with local institutions, an increasingly sore point with Johannesburg brokers, has at last been stopped by revival of the exchange control requirement that all Securities Rands transactions must be accompanied by a Johannesburg brokers note. This will push a lot of off-market trade back through Johannesburg.

This is the season for visiting firemen from the London broking houses and most seem much more bullish than the local fraternity. Some even liken the current Johannesburg scene to London over a year ago, when the FT index was bottoming. On a yield basis, Johannesburg is certainly attractive, with many blue chips yielding 8 per cent-9 per cent. and a number of good second rankers even more.

But for various well-known reasons, from the Angola war through to the recently raised requirement for institution's cash holdings, funds for equity investment are tight: and though the Rand Daily Mail Industrial Index is holding up well at 214, a quiet market seems likely, at least up to the budget on March 31.

Colgate sees higher sales earnings

COLGATE-Palmolive expects earnings and sales for the first quarter to be higher than those for the year-ago period.

In last year's first quarter, Colgate reported earnings of $22m. (or 32 cents per share) on sales of $672.2m.

Colgate revealed that fourth quarter net earnings were 44 cents a share (40 cents). Total operating net profits were $30m. ($26.9m.).

Sales climbed to $721.4m. ($682.1m.). For the full year, earnings per share were $1.73 ($1.52), representing a total operating net of $119m. ($104.2m.).

Sales improved to $2.9bn. ($2.6bn.). The net for 1974 excludes a gain of $14.5m. (21 cents a share) from the sale of the Lakeside Laboratories unit.

Record Sybron earnings

SYBRON Corporation have announced an overall 26 per cent. increase in earnings during 1975 over 1974. Earnings were $25.4m. ($2.1 per share) in 1975 as compared to $18.8m. ($1.55 per share). In 1974. Sales for 1975 were $557.7m. (an increase of 13 per cent. over 1974).

In lines with a new method of accounting the translation of currency transactions and financial statements to conform with the new standards introduced by the U.S. Financial Accounting Standards Board in October 1975, earnings increased in 1975 by $828,000 or 7 cents a share, and decreased in 1974 by $3.6m. or 30 cents a share.

Prior to this change in accounting method, net income for 1975 was reduced by $1.2m. (10c per share) for foreign currency exchange losses, compared with a gain of $307,000 (3c per share) in 1974.

William G. Vonberg, President, said, "We were particularly pleased to see earnings before the effect of foreign currency fluctuations improve approximately 17 per cent. This was possible because of strong shipments in our U.S. capital goods businesses.

He added, "Concerning 1976, we expect earnings, before foreign currency exchange fluctuations to be another record. We expect to benefit from recovery in those businesses which were down so sharply in 1975. — particularly the U.S. dental market and chemical business worldwide."

Increased German interest in mutual funds

BY GUY HAWTIN

FRANKFURT, Feb. 12.

WEST GERMANY'S investment trusts have got off to a good start this year, spurred by expectations of a continuing rise in the stock market. The Bundesverbandes Deutscher Investment-Gesellschaften (BVI), the investment trusts' association, reports that sales of new certificates last month were three times higher than in January 1974.

Sales of new certificates by the BVI's 82 member trusts amounted to just under DM280m. last month. This compares with sales worth DM230.7m. in December. Funds controlled by the trusts in January amounted to DM17.6bn. compared with DM17.1bn. at the end of December.

Share ownership in West Germany is not so widespread as, for example, in Britain. A greater proportion of savers have continued to favour more conservative forms of savings such as schemes run by the banks.

But the latest returns from the BVI indicate that the performance of its member trusts over the past year has greatly increased the interest in mutual funds. Furthermore, the distrust of mutual funds, however unjustified, engendered by the IOS collapse appears to be fading fast.

In January last year, when the market was admittedly starting its climb out of its two-year downturn, new certificate sales totalled only DM92.9m. At that time the BVI's 85 trusts—now trimmed to the current figure as a result of a merger—controlled funds worth DM14.4bn.

The BVI comments that private savers appear to be changing their traditional forms of saving. The mutual funds are now seen as a profitable alternative to the other cash investment possibilities.

The strongest demand last month was registered by the 20-member funds which operate in the bond market. Certificate sales totalled DM151.2m.—45.8 per cent. up on December's DM103.7m. and 242.1 per cent. more than the DM44.2m. sold in January, 1974.

Fluctuations in the stock market during January influenced sales in the equity-based funds only a little. The 55 BVI equity-based trusts sold certificates worth DM107m., an increase of 22.1 per cent. on December's DM87.6m.

There was a 45.7 per cent. fall in demand for certificates in the BVI's seven property funds between January and December. Sales fell from DM39.4m. to DM21.4m. However, the BVI points out that December was the Property funds' best month for three years and that January sales figures were still a handsome 92.8 per cent. above the DM11.1m. registered in the same month of 1975.

Neckermann sales rise

BY GUY HAWTIN

FRANKFURT, Feb. 12.

NECKERMANN, the Frankfurt-based store and mail order concern, has reported an 18 per cent. increase in consolidated group turnover for 1975. It rose from the previous year's DM2.96bn. to DM3.5bn.

Leading the growth was the group's mail order business. Sales forged ahead by 20 per cent. from 1974's DM900m. to DM1.08bn. However, the non-mail order business also performed creditably with sales up 14 per cent. from DM1.51bn. to DM1.72bn.

Most of West Germany's travel concerns have reported high growth rates despite last year's recession but Neckermann's travel business also appears to have outperformed the industry's average last year. Turnover went up by 23.7 per cent. from DM524m. to DM650m. The group's insurance operation also reported premium income up from the previous year's DM91m. to DM97m.

During the year sales space increased from 208,000 square metres to 218,000 square metres, while the number of personnel rose from 19,161 at the end of 1974 to 19,201.

MAN incoming orders improving

AUGSBURG, Feb. 12.

MASCHINEFABRIK Augsburg-Nuernberg AG (MAN) incoming orders rose to DM1.96bn. (1.81bn.) for the six months ending June 30, 1976, Chairman Hans Moll told the annual meeting.

The company has said it hopes to pay an appropriate dividend for the current year (unchanged at six marks for 1974/75).

Whether the dividend can be raised remains an open question, Herr Moll said.

Incoming export orders in the first six months of 1975/76 were DM818m. (985m.), bringing the export ratio down to 46 per cent. from 55 per cent. of the total, Herr Moll said. At the last annual meeting he said that MAN was too reliant on export orders.

He added that business connections with Arab countries were progressing well, but no question of a joint venture or of participation by an Arab state in MAN has been raised.

Orders on hand at December 31 were DM4.4bn. (4bn. on June 30), or DM5.8bn. (5.1bn.) including MAN's 90 per cent. subsidiary Gutehoffnungshuette Sterkade AG. Reuter

Gottardo offers dollar and DM bonds

BY JOHN WICKS

ZURICH, Feb. 12.

WORKING through a branch in Nassau, Bahamas, the Banca del Gottardo, of Lugano, has become the first Swiss bank to offer medium-term bonds in non-Swiss franc currencies. The bonds, issued at values from $5,000 or DM10,000, have maturities of three to five years. To date, the branch has placed $10.8m. worth of dollar bonds at 8.5 and 9 per cent. and DM15.3m. worth of mark bonds at between 6¾ and 8 per cent. It is intended to extend the issues, which have been "very successful" since their introduction, this year, states the Lugano bank.

Banca del Gottardo, whose major shareholder is the Italian banking group Ambrosiano, has also founded a subsidiary company in Nassau with the title Gotthard Bank International and an authorised capital of 3m. U.S. dollars. This bank, whose activities will be of a general banking nature and which also handles foreign-currency medium-term bonds, started operations at the end of last year.

The Lugano bank increased its net profits last year by 20 per cent. to Sw.Fr.15.3m. (12.7m.) and is to pay an unchanged profit for the year of Sw.Fr.10 gross per share and participation certificate. Total assets went up 27 per cent. in 1975 to Sw.Fr.1.56bn. (1.23bn.) and equity by 36 per cent. to Sw.Fr.167m. (122m.), the latter sum including capital of Sw.Fr.50m. (35m.). The bank expects to maintain the dividend level this year, which it says has started well.

Atlas beats profit forecast

BY JOHN WALKER

STOCKHOLM, Feb. 12.

THE ATLAS COPCO group of compressed air equipment manufacturers reports that group sales for 1975 rose by 14 per cent. to Kr.3.38bn. (£370m.) A pre-tax profit of Kr.423m. compares with Kr.366m. in 1974—better than forecast at the end of the first six months of last year. The worldwide recession during 1975 has affected orders received, especially for industrial equipment. By the end of the year, demand for mining equipment had also slowed down.

Parent company pretax profits droped to Kr.101m. from Kr.106m in the previous year. The Board recommends an increased dividend of Kr.6 per share (1974: Kr.5.50).

The company is cautious in its forecast for 1976 and despite the unfavourable business climate now prevailing, expects a limited increase in sales during the year. An upswing is anticipated for certain industrial and contracting sectors. But the ability of the company to offset the substantial increases in wage costs by price increases will be limited, particularly because international competition is hardening.

Innocenti decision expected

By Anthony Robinson

ROME, Feb. 12.

A DECISION on the future of the Innocenti Leyland car plant in Milan is now expected early next week following a meeting between the Minister of Industry and the trade unions, at which the Minister outlined a plan put together by British Leyland, Industrialist Alessandro de Tomaso and the "industrial hospital" organisation GEPI.

The plan provides for the creation of a joint company by the three partners and the production of 40,000 Minis annually during the three-year period required for conversion of the plant to motorcycle and motorcycle derived light vans.

No financial details are yet available but the unions have asked for a final decision and full details to be given at a meeting scheduled for Monday.

Sig. de Tomaso has earned a considerable reputation as the saviour of bankrupt companies having taken over and remodelled the Moto Guzzi and Benelli motorcycle companies and the Maserati luxury car company, in all cases with the financial aid, and in partnership with GEPI.

He believes in the ability of the Italian motorcycle industry to compete effectively against the Japanese industry if organised properly to take the maximum advantage of Italian design skills and specialisation on specific market sectors. In this context Sig. de Tomaso is also negotiating an agreement with the Meriden motor cycle co-operative in the U.K. but a final decision is reportedly awaiting agreement on the financial details.

AGA spending plans

By John Walker.

STOCKHOLM, Feb. 12.

AGA, the Swedish industrial gas, welding and electronics group, improved its turnover in 1975 to Kr.2.2bn. compared with Kr. 1.6bn. in the previous year according to the company's preliminary annual report. During 1975 the Corona heat engineering company accounted for Kr.410m. of the turnover and was included for the first time. Excluding Corona, sales in 1975 were up by 12 per cent.

At the same time costs rose from Kr.1.4bn. in 1974 to Kr.1.9bn. last year. The pre-tax profit increased by Kr.14m. to Kr.157m. It is proposed that the dividend shall be raised to Kr.5.50 per share compared with Kr.5 per share in 1974.

It is also proposed that the present share capital of Kr.175.4m. shall be increased to Kr.233.9m. by an issue of one new share for three old shares at a price of Kr.75 per share. The company is planning to invest Kr.250m. this year, mainly for the production and distribution of gas and the company also forecast that there will be further investments in gas production after 1976 to meet increasing demands.

Alfa Laval pays more

BY JOHN WALKER

STOCKHOLM, Feb. 12.

THE BOARD of Alfa-Laval, the Swedish dairy equipment manufacturers, recommends in the preliminary report for 1975 that the dividend should be raised to Kr.5 per share, compared with Kr.4 per share in 1974. At that time there was a bonus issue of one-for-four and a share split when the nominal value of the shares was changed from Kr.100 per share to Kr.50 per share.

The Board proposes to raise the share capital by Kr.83.3m. to Kr.416.5m. by a share issue of one-for-four at a price of Kr.75 per share.

Group sales increased by 11 per cent. to Kr.3.5bn. The group pre-tax profit is up by Kr.14m. to a total of Kr.270m., and the group order intake is up 6 per cent. to Kr.3.8bn. Parent company sales rose by 24 per cent. to Kr.1.2bn. and parent company pre-tax profits show an increase of Kr.37m. to Kr.175m.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102½	103½
Ashland 8pc 1987	93¼	94¼
Austraswiss 8pc 1987	93	94
Borregaard 8½pc 1989	96½	97½
Broken Hill 10pc 1990	104½	105½
Carrier 8pc 1987	92½	93
Conoco 8pc 1985	99½	100½
Consol. Foods 7½pc 1991	91	92
Cutler Hammer 8pc 1987	93	94
Elb 9½pc 1985	101½	102½
Erap 9½pc 1985	101½	102½
Esso 8pc 1986 Nov.	100½	101½
General Cable 8½pc 1987	91	92
General Motors 8½pc 1986	103½	104½
Granges 8½pc 1985	99½	100½
Gte 8½pc 1986	98	99
New Zealand 9½pc 1982	102½	103½
Pacific Light 8pc 1988	95	96
Prov. of Quebec 7½pc 1989	88	89
Quebec Hydro 8½pc 1986	99	100
Queensland 8½pc 1987	96½	97½
Scanraff 8½pc 1988	98½	99½
Shell 8pc 1988	99½	100½
Stand. Oil (Ind.) 8½pc 1989	100½	101½
Tenneco 7½pc 1987	90½	91½
Transocean 9½pc 1985	99½	100½
Utah 8pc 1987	95	96
Volvo 8½pc 1985	101½	102½
NOTES		
Air France 9¼pc 1982	101½	102½
Ardal 9½pc 1980	101½	102½
Australia Ind. 10½pc 1981	103½	104½
Barclays 9½pc 1989	100½	101½
Cie Nat. Rhone 10pc 1982	103½	104½
Du Pont 7¾pc 1978	101½	102½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1978	100½	101½
Montreal 9½pc 1981	101½	102½
Nippon Steel 9½pc 1980	102½	103½
Norway 9pc 1980	102	103
Skandinaviska E. 10½pc '81	105	106

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	87	89
Ashland 5pc 1988	91½	93
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4½pc 1992	104	106
Borden 5pc 1992	95	97
Broadway Hale 4½pc 1987	75	77
Canon Camera 7½pc 1989	108	110
Carnation 4pc 1987	82	84
Chevron 5pc 1988	102	104
Dart 4¾pc 1987	89	91
Eastman Kodak 4½pc 1988	122	124
Economic Labs. 4½pc 1987	82	84
Fidal 7½pc 1989	80	83
Fed. Dept. Stores 4¾pc '85	120	121
Firestone 5pc 1988	83½	85½
Ford 6pc 1986	92½	94½
Ford 5pc 1988	82	84
General Electric 4½pc 1987	88	90
Gillette 4½pc 1987	78	80
Gould 5pc 1987	88	90
Gulf and Western 5pc 1988	95	97
Harris 5pc 1992	78	80
Honeywell 6pc 1986	82	84
ITT 4½pc 1987	71	73
Komatsu 7½pc 1990	100	101½
J. Ray McDermott 4¾pc '87	142	144
Mitsui 7½pc 1990	107	108½
J. P. Morgan 4¾pc 1987	119	120
Nabisco 5½pc 1988	95	97
Owens Illinois 4½pc 1987	99	101
J. C. Penney 4½pc 1987	82	84
Pioneer 6½pc 1988	215	220
Rank 4½pc 1990	49	51
Revlon 4½pc 1987	100	102
Sperry Rand 4¼pc 1987	99½	100½
Squibb 4½pc 1987	84	86
Texaco 4½pc 1988	75½	77½
Toshiba 6½pc 1990	102½	104
Union Carbide 4½pc 1982	125	127
Warner Lambert 4½pc 1987	95	97
Warner Lambert 4½pc 1988	82	84
Xerox 5pc 1988	76	78

Source: Kidder Peabody Securities.

APPOINTMENTS

COMPANY NOTICES

Société Anonyme André Citroen 6.75% 1967-73-82 — US$20,000,000 Loan

The redemption on 15 March, 1976, for which a sum of US$1,782,000 is planned, has been partially made by:

Repurchase on the Stock Exchange: US$764,000
Drawing: US$1,018,000

Allowing for the repurchase on the Stock Exchange, the drawn bonds with the numbers:

16.392 to 17.544 inclusive

will be redeemable at par as from 15 March, 1976, coupons at 15 March, 1977 and without attachment.

Amount remaining in circulation after 15 March, 1976: US$13,520,000

Paying Agent
BANQUE DE PARIS ET DES PAYS-BAS
POUR LE GRAND-DUCHE DE LUXEMBOURG

LEGAL NOTICES

No. 00412 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BECKENSALL HAULAGE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 4th day of February 1976, presented to the said Court by PETROL SERVICES (AUTOCARE) LIMITED whose registered office is situate at Chandlers Row, Port Lane Industrial Estate, Colchester in the County of Essex, a creditor, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 8th day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

COLLYER-BRISTOW & CO.,
4, Bedford Row,
London, W.C.1.
Agents for: JONES & CO.,
Town Hall Chambers,
Colchester, Essex.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of March 1976.

No. 00423 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of GARILEE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 5th day of February 1976, presented to the said Court by D. LANDAU & SON LIMITED whose registered office is situate at Kenilworth House, 79-80, Margaret Street, London W1N 7HB, a creditor, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 8th day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

EDWIN COE & CALDER WOODS,
2, Stone Buildings,
Lincoln's Inn,
London, W.C.2.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of March 1976.

No. 00283 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CREEGREEN LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 26th day of January 1976, presented to the said Court by RONCO TELEPRODUCTS (UK) LIMITED whose registered office is situate at Bolt Court, Fleet Street, London, E.C.4 Record Distributors, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 1st day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY AND WALLER,
5-3 Hind Court,
Fleet Street,
London, EC4A 3DS
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 27th day of February 1976.

LEGAL NOTIC

No. 00422 of 1976

In the HIGH COURT OF Chancery Division Companies the Matter of MAINCHOICE and in the Matter of The Act, 1948.

NOTICE IS HEREBY GIVE Petition for the Winding up of named Company by the High Justice was on the 9th day of 1976, presented to the said THE COMMISSIONERS OF AND EXCISE of King's Bea 39-41, Mark Lane, London E and that the said Petition is to be heard before the Cou at the Royal Courts of Justic London WC2A 2LL on the 15 March 1976, and any creditor butory of the said Company to support or oppose the mak Order on the said Petition m at the time of hearing in per his Counsel for that purpose; a of the Petition will be furnish undersigned to any creditor or tory of the said Company requ copy on payment of the regula for the same.

G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE.
Solicitor to the Petitione

NOTE.—Any person who i appear on the hearing of the sa must serve on or send by p above-named notice in writin intention so to do. The notice the name and address of the if a firm, the name and addr firm and must be signed by or firm, or his or their solicit and must be served, or, if po be sent by post in sufficien reach the above-named not four o'clock in the afternoo 12th day of March 1976.

No. 00453 of 1976

In the HIGH COURT OF Chancery Division Companies the Matter of KENNETH (PRODUCTIONS) LIMITED Matter of The Companies Act

NOTICE IS HEREBY GIVE Petition for the Winding up of named Company by the High Justice was on the 9th day of 1976, presented to the said THE COMMISSIONERS OF AND EXCISE of King's Bea 39-41, Mark Lane, London E and that the said Petition i to be heard before the Co at the Royal Courts of Justic

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RMING AND RAW MATERIALS

ia ends ; goods ort duty

Sharma

EW DELHI, Feb. 12.

IDIAN Government export duties to-night acking, jute webbing, and jute twine to e competitive position goods in the inter- arket.

s has been done before arch budget indicates Government has noted need to improve the lustry's competitive relation to synthetics.

ame time, the Govern- s. announced heavy . export duties on l groundnuts, mainly object of mopping up profits made by of these commodities t of the sharp rise in s in the world market.

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ore fishing ciation ted

rd Mooney

SSOCIATION to repre- interests of Britain's hing industry has been four leading producer ms.

re the Anglo Scottish icers' Organisation, the Fishermen's Organisa- Northern Ireland Fish Organisation and the stern Fish Producers' on. The groups have gate membership of 00 boats and a total nover of around £40m.

esman for the asso- d it had been formed that the inshore fish industry had "the most effective voice

l work closely and in ith the deep sea pro- nisations and existing tive bodies. Its main would be marketing resource management, its and conservation.

European MPs back U.K. beef support bid

BY ROBIN REEVES STRASBOURG, Feb. 12

THE EUROPEAN Parliament to-day supported Mr. Fred Peart, the U.K. Minister of Agriculture in his bid to retain the variable premium system of beef support in Britain.

A majority of MPs came down in favour of a continued place for variable beef premiums during discussions on the Brussels Commission's proposed 1976-77 prices package. This should considerably strengthen Mr. Peart's hand in the Council of Ministers when negotiations begin in earnest next week.

On the demand for still higher farm price increases, the Parliament voted by a two thirds majority requesting the Commission to lift the planned average price rise from 7.5 per cent. to 9.5 per cent. The only dissent came from the Socialist group.

Parliament also recommended the phasing out the "green pound," but did not go so far as to set a timetable.

Generally, this year's agricultural prices debate was unusually quiet. One of the few points of contention was the proposed two tier EEC milk price rise—2 per cent. in March and 4.5 per cent. in September.

British MPs, both Labour and Conservative, generally favoured the Commission's plan, while the French and Irish led the opposition.

It was announced, meanwhile, that the Parliament's agricultural committee would visit the U.K. in April to examine the contribution that marketing boards can make to tackling the problems facing European agriculture. They will spend considerable time at the Milk Marketing Board in Thames Ditton.

The visit, arranged by Mr. Ralph Howell, MP for Norfolk North, is timely, given that the whole future of British marketing boards may be in the melting pot as a result of the Commission's proposed common potato policy. This envisages a far more liberal free market regime than exists under the British Potato Marketing Board.

● EGC sources said in Brussels that financial haggling between member states was delaying a Common Market decision to approve a two-year extension of the International Wheat Agreement, reports Reuter.

The nine member countries would almost certainly agree to an extension, but not in time for the new protocol to be drawn up in London next week.

Influential buying lifts copper

By Our Commodities Editor

INFLUENTIAL BUYING by leading dealers helped to push copper prices up on the London Metal Exchange yesterday. Cash wirebars closed £5 higher, at £593.25 a tonne; and moved further ahead in late kerb trading.

No particular reason was cited for the revival in buying interest, which was sufficiently strong to resist trade selling at the higher level.

Lead values also advanced. The cash price gained £2.375, to £170.25 a tonne, its highest level since October. Buying interest from the Continent and speculators was encouraged by reports that producers had started supporting the market again with a target of £185 for cash lead.

The World Bureau of Metal Statistics reported yesterday that U.K. demand for all forms of lead fell by 10 per cent. last year, to 293,186 tonnes. It estimated that zinc consumption fell 21 per cent., to 278,312 tonnes.

In the U.S., it was reported that stocks of the six leading lead refiners during January rose by 9,408 short tons, to 91,477, compared with 55,539 at the end of January 1975.

Tin prices eased on the London market yesterday, despite a further small rise overnight in Penang. Profit-taking selling was encouraged by the recent rise and increased sales from the U.S. stockpile.

FARM OWNERSHIP

Tax route to nationalisation

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE HOME POLICY Committee of the Labour Party recently endorsed a scheme to nationalise farm land. Although this was disowned by Mr. Wilson in the Commons this week, it has been the Party's aim for some time.

The apparent cost of the measure has deterred the translation of vague aspirations into positive action, but the committee thinks that the advent of capital transfer and wealth taxes will now provide an almost painless channel towards their goal.

A lot of sense

Instead of having to sell up, or borrow, to pay these taxes—with all the problems that this would bring—owners would be able to pass the land, or some of it, to the State.

They could then remain on their farms as tenants and would also have security, so that agricultural production would not suffer.

The committee's report, outlining its views, was probably written before Mr. Fred Peart, Minister of Agriculture, announced that sons and relatives of tenants of county council smallholdings would not have the same chances of succession as those of private or institutional landlords.

If political and personal objections to nationalisation are disregarded, there is a lot of sense in the proposal for using land instead of money to pay these taxes.

Few farmers and landowners genuinely believe that they should be treated differently to any other citizen in the taxation of their assets. What they object to is the fact that capital taxation is going to weigh much harder against them than it would against people with other forms of wealth.

As Mr. Clive de Paula said in a recent booklet, a man with a fortune in ICI shares doesn't affect the fortunes of that company when he sells a block of them. But to sell a farm, or a portion of it, can destroy a viable business.

These considerations apply to other privately owned businesses as well, but only in farming is so much capital locked into land in proportion to that needed to stock and farm it. The land element of a farming business is seriously overvalued.

This phenomenon has been particularly marked over the last few years; although the peak prices of 1973-74 have gone, land is still over-valued, especially if sold with vacant possession.

Some farms have been let in Hampshire recently at around £30 per acre, although this high level is far from the norm.

Once let, it is probably worth around £300-£350 an acre. If it was sold with vacant possession, however, it would probably make double that amount.

The value, if CTC has to be paid on let land, would be fixed on the rental value. If the owner had been farming it himself, however, the land would have to be valued at 20 times the open market rent—even with the Chancellor's "concession"—which could result in a figure of £600 an acre or more.

To find CTC on such a sum in cash, even on quite a small farm, would destroy any business—either by overloading it with debt or forcing a sale with vacant possession. In which case the owner's family would lose possession.

It is this loss of security of their farms and their homes which haunts the owner-occupying families, who account for more than 50 per cent. of all land farmed.

The CTC on a tenant's capital, on the other hand, would be far less in proportion to turnover and profit earned than that on land. A tenanted farm which is reasonably run should be able to make provision for the tax out of current earnings without hardship.

A common criticism of the Labour Party idea is that paying taxes by handing over a portion of the farm would fragment ownership. But this would not do half as much harm to farming as fragmenting the holdings themselves.

It is worth mentioning that, in France, the law that a father's property has to be divided equally between his children has had a much more disruptive effect on landowning than taxation has had here.

Many farms in better land areas have multiple ownership to an almost ridiculous degree, having been parcelled up by successive generations.

Lease system

This does not affect the farming, however, as most of the land is let to one man: perhaps a family member who merely owns the house and buildings and rents the rest.

Land, under this system, has rents and other conditions fixed by law, and ownership of the parcels is simply another form of investment. I once visited a farm near Lille, where a man had 30 landlords on 400 acres.

The Government lease system operated in Australia and New Zealand, in which the man actually working the farm owns the buildings, is to be strongly commended.

It would not matter if land ownership were fragmented between the State, institutions or private individuals, depending on who provided the cash with which the taxes had been paid.

Such a system would also avoid the need for a vast administrative machine of agents, surveyors and the rest. If the buildings and other facilities belonged to the farmer, the landlord would only need to make sure his rent is paid. The idea is worth discussing.

Holland bans potato sales outside EEC

BY MICHAEL VAN OS AMSTERDAM, Feb. 12.

HOLLAND IS to ban all potato exports to countries outside the Common Market, which normally take a little over 10 per cent. of total exports.

The decision, announced in The Hague by the Potato Board, in agreement with the Economics Ministry, was in response to major public criticism of the rises in potato prices on the domestic market.

A spokesman for the Potato Board said an "extremely heavy" demand for Dutch potatoes from British importers had lifted Dutch export prices to around 50 per cent. above the level of the previous year. The general Dutch export price had risen from Fls.0.44 to Fls.0.63 a kilo.

In the period from August 1, 1975, to February 1, 1976, U.K. sales of Dutch potatoes had amounted to as much as 193,000 tons, while those of the other chief importer, West Germany, were about 185,000 tons, the Board said.

An Economics Ministry spokesman said in the Hague that Dutch potato exporters had been asked to show "moderation" in their sales to Common Market countries, to which they could of course sell in unlimited quantities under EEC rules.

The Potato Board has said that there are enough potatoes left on the domestic market. Total stocks amounted to 329,000 tons at the end of January this year.

The Belgian Government has banned potato exports and ordered exporters to make their stocks available for home consumption, Reuter reports.

New York may revive zinc market

NEW YORK, Feb. 12.

THE NEW YORK Commodity Exchange (Comex) is studying the feasibility of establishing a new zinc futures contract, but final details remain to be worked out.

When these specifications are resolved, the Exchange will ask the Commodity Futures Trading Commission for permission to begin trading.

Current price fluctuations in zinc had created interest in such a contract, and a request for a review of zinc futures trading had come from the metal group of the Board, an Exchange spokesman said.

Comex stopped Zinc futures trading in December, 1970, following a period of stable prices and meagre trading interest.

Reuter

Ethiopia boosts hides

BY OUR OWN CORRESPONDENT ADDIS ABABA, Feb. 12

THE ETHIOPIAN Government is hoping to increase significantly its foreign exchange earnings from exports of animal skins and hides following the opening here of a giant new tannery.

Ethiopian sheep and goat skins have found a market already among overseas shoe and glove manufacturers, and makers of suede products. Total exports of hides and skins now amount to 10m. pieces annually, out of the 15m. pieces produced.

Overseas sales of hides and skins used to account for about 10 per cent. of the country's entire export income. But foreign exchange earnings from this source have dropped sharply, from a peak of US$23m. in 1972 to U.S.$16m. last year. The reason for the decline was the disastrous drought, which decimated animal stocks in the country, say officials of the Livestock and Meat Board's hides and skins division.

Mr. Mustafa Mohammed Iman, chief of the hides and skins inspection section, said export earnings would show a dramatic rise if more hides were treated in Ethiopia before their sale overseas.

The new tannery, called the Ethiopian Tannery is expected to double the number of hides which can be treated, and Mr. Mustafa estimates that if 90 per cent. of them are thus treated, Ethiopia could earn as much as $150m. in exports. The difference in value between raw hides and finished leather goods was 500 per cent.

Officials of the Board say a new programme has been introduced, which will gear livestock farming towards the more effective exploitation of hides and skins. They add that, despite the drought, Ethiopia possesses 27m. head of cattle, 24m. sheep and 18m. goats.

Malaysia plans palm oil authority

BY OUR OWN CORRESPONDENT KUALA LUMPUR, Feb. 12

THE MALAYSIAN Government is planning to set up a Palm Oil Licencing Authority (Pola) to control the cultivation and expansion of the crop, which has emerged as the country's second biggest revenue earner. Exports were more than 1.3m. tons last year

Officials from the Ministry of Primary Industries have been seeking the views of palm oil growers, and a Bill to set up Pola is expected to be drawn up by the end of this year. The setting up of a Palm Oil Exchange Market in Kuala Lumpur, and a Palm Oil Research Institute are also being planned.

Ministry officials feel that palm oil cultivation should be controlled as the crop is expected to be the leader in Malaysia's agricultural development under the third Malaysia Plan (1976-80).

The present area under oil palm in Malaysia is around 600,000 hectares, and this area is expected to double by 1980 if increases in planting rates are not regulated.

Palm oil, because of its lower labour and other production costs, gives a far better return than rubber. Coupled with its relatively stable prices, this makes it the favourite crop chosen for agriculture diversification by estates and Government land agencies.

Malaysian officials are worried, however, that there might be an oversupply of edible fats in the world market in the early 1980's. There are already ominous signs that the U.S. might impose duties on palm oil imports, which are challenging the American soyabean industry.

MMODITY MARKET REPORTS AND PRICES

METALS

Moved strongly ahead after ...ening on the London Metal ... a rather quiet morning ... metal eased to £606 owing ... sales. When the U.S. ... on a firm note, however, ... turned upwards and then a ... loss. Speculative and physical ... of the afternoon Kerb. Trade ... higher levels was well ... turnover 24,700 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £588.5, 88, 87.5, 88, three months, £607, 06.5, 06. Cathodes, cash, £579, three months, £596. Kerb: Bars, cash, £588, 88.5, three months, £606.5. Cathodes, three months, £596. Afternoon: Wirebars, cash, £591.5, 92, 93, three months, £609, 09.5, 10, 10.5, 11, 11.5, 12; Cathodes, cash, £583, 83.5, three months, £602, 602.5. Kerb: Bars, three months, £612.5, 13, 13.5, 13.

	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
	...87.5-8	+1.5	593-.5	+5
	...06-.5	+1.5	612-.5	+6
	...588	+1.5	—	.....
	...79-.5	+2	583-4	+4.75
	...96-.5	+1	602-3	+6.75
	...79.5	+2	—	.....
	—	.....	*53-53.7	.....

TIN—Turned easier. Despite the fresh gain in Penang overnight, prices here gave ground owing to profit-taking and stale bull liquidation which found the recent outside demand lacking. There were also signs that the widening premium of High Grade over Standard metal was also attracting material to the market. Turnover 1,185 tonnes.

Morning: Standard, cash, £3,200, 200, 195, 96, three months, £3,268, 65, 63, 56, 57. High Grade, untraded. Kerb: Standard, three months, £3,257, 55, 54. Afternoon: ...

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3240-60	—20	3235-50	—17.5
3 months	3278-80	—12.5	3275-80	—17.5
S'ment	3260	—20	—	.....
Standard				
Cash	3195-6	—11.5	3195-7	—10.5
3 months	3256-8	—10	3257-8	—11.5
S'ment	3196	—12	—	.....
Straits E.	$1005	+15	—	.....
New York	—	.....	—	.....

LEAD—Higher ... [illegible]

ZINC—Held steady ... [illegible]

SILVER ... [illegible]

ing included are from Annaba to Ghent at $2.60 f.i.o. for prompt loading. Time charterers fixed a vessel of 26,645 long d.w.t. for an Australian round voyage at $4.30, delivery passing Singapore Feb.-March redeliver Singapore/Japan, and a vessel of 21,206 long d.w.t. for a voyage from New Port Gwent to India at $2,500 daily Feb.

COFFEE

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

COCOA

[illegible]

GRAINS

wheat were taken by East Anglia at £66, ranging up to £67 for April. Feed barley business included Feb. parcels to London at £63.25, while East Anglia paid £65 for March, scaling up to £67 per long ton for April-June delivery. April feed barley traded to Avonmouth at £66.50. Average sellers quotation per long ton for delivery London area: Wheat milling March £67, April-June £69; denaturable March £66.50, April-June £66. Barley ... [illegible]

FREIGHTS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 207 tonnes, bringing the total for the week so far to 1,049 tonnes. Steady buying persisted in various African and South American growths. The call for Turkish and Iranian was also maintained, F. W. Tattersall reports.

★

COPRA—Philippines: Feb. $195, March $200, April $205 resellers per tonne c.i.f. North European ports.

MEAT/VEGETABLES

Lamb: English small 38.0 to 42.0, higher quality small 44.0, medium 34.0 to 40.0, heavy 25.0 to 34.0; Scottish medium 34.0 to 38.0, heavy 28.0 to 34.0, hill 32.0 to 40.0. Imported frozen: NZ PL 31.0 to 32.0, PM 30.0 to 31.0, PH 29.0 to 29.5.

Ewes: 17.0 to 22.0, higher quality ewes 24.0.

Pork: English, under 100 lbs 32.0 to 38.0, 100-120 lbs 31.0 to 37.0, 120-160 lbs ... [illegible]

Sisal vessels diverted

DAR ES SALAAM, Feb. 12.

A TANZANIA Sisal Authority spokesman said ships destined for Dar es Salaam to pick up sisal were being diverted to Tanga (north Tanzania) following a fire which destroyed a huge quantity of sisal stored in godowns at the port on Monday.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Feb. 12 1976	+ or —	Month ago
Metals			
Aluminium	£420	....	£420
Free Market	[illegible]		£545-555
...	[illegible]		£596.75
...	[illegible]		£616.75
...	[illegible]		£595.5
...	[illegible]		£584.75
...	[illegible]		£132.5
...	[illegible]		£186.25
...	[illegible]		£173-126
...	[illegible]		£2482.5
...	[illegible]		$1.88-2.0
...	[illegible]		£76½-81½
...	[illegible]		£69.3
...	[illegible]		$78.82
...	[illegible]		204.1p
...	[illegible]		209.7p
...	[illegible]		£3,072.5
...	[illegible]		£3,145
...	[illegible]		£243½-5
...	[illegible]		£341.875
...	[illegible]		£355
...	[illegible]		$795
Oils			
...	[illegible]		£372
...	[illegible]		£377
...	[illegible]		£174
...	[illegible]		£201
...	[illegible]		£157
Grains			
...	[illegible]		£64.5
...	[illegible]		£65.15
...	[illegible]		£65.5
...	[illegible]		£67
...	[illegible]		£746
...	[illegible]		£707.5
...	[illegible]		£848.5
...	[illegible]		65.8
...	[illegible]		£196
...	[illegible]		37.25p
...	[illegible]		$600
...	[illegible]		£168
...	[illegible]		212p
...	[illegible]		£2,400
...	[illegible]		£960
...	[illegible]		£795

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

GRIMSBY FISH—Supply moderate, demand fair. ... [illegible]

U.S. Markets

Precious metals down

NEW YORK, Feb. 11.

PRECIOUS metals closed lower on aggressive speculative profit-taking, following recent sharp advances. Coffee finished higher on renewed Commission House buying after yesterday's sell-off. Soyabean complex finished lower on profit-taking. Weather remains the main factor in grains. Sugar closed slightly higher on mixed activity and evening-up in front of holidays. Bache reports.

Cocoa—Ghana spot 74¼ (73½). Bahia spot 70¼ (71½). March 67.00 (67.90), May 63.60 (64.65), July 61.70, Sept. 59.70, Dec. 57.10, March 55.85, May 55.10, July unquoted. Sales, 1,604.

Coffee—"C" Contract: March 102.40-102.20 (101.53), May 100.80-100.70 (99.90), July 100.60-100.40, Sept. 100.50-100.90, Dec. 100.00-99.80. Sales, 766.

Copper—Feb. 55.60 (55.30), March 55.80 (55.50 settlements), April 56.20, May 56.60, July 57.50 settlements. Sales, 1,946.

Cotton—March 59.37-59.45 (59.50), May 60.53-60.60 (60.60), July 61.20-61.25, Oct. 60.40-60.45, Dec. 58.25, March 59.50-59.00, May 59.00-59.15, July 59.20-59.40. Sales, 3,450.

ΦGold—Feb. 129.70 (130.20), March 129.80 (130.30), April 130.10, June 131.20, Aug. 132.40, Oct. 133.70, Dec. 135.10, Feb. 136.50, April 137.90, June 139.30. Sales, 1,140.

Greasewool—Spot 166.0 nom. 165.0 nom.), March 163.0-168.0 (165.0), May 162.5-169.0 (166.5), July 162.5-165.0, Oct. 160.0-165.0, Dec. 160-165.0, March 160.0-165.0, May nil.

†Lard—Chicago loose 19¼ nom. (19 nom.). NY prime steam 21 bid (20¼ asked).

††Maize—March 269¼-268 (267¾), May 273¼-273 (275), July 277-278¼, Sept. 275¼, Dec. 271½-271, March 277¾.

‡Platinum—April 138.70 (138.50), July 141.30 (140.70), Oct. 143.20, Jan. 146.40, April 148.80, July 151.90-152.10. Sales, 163.

‡‡Silver—Spot 409.50 (386.50). Feb. 407.30 (410.60), March 405.70 (412.00), Apr. 411.50, May 414.00, July 419.50, Sept. 425.20, Dec. 434.20, Jan. 437.20, March 443.10, May 449.00. Sales, 7,053.

*Soyabeans—March 477¾-478 (485½), May 486-484 (493½), July 493½-492, Aug. 496, Sept. 490-501, Nov. 504, Jan. 512-511½, March 518½, May 524½.

bSoyabean Meal—March 132.30 (133.50), May 136.20-136.00 (137.20), July 138.30-138.50, Aug. 139.50-139.20, Sept. 139.00-138.40, Oct. 139.30-139.70, Dec. 143.30, Jan. 142.00-135.00.

Soyabean Oil—March 16.70-16.75 (17.05), May 16.95-16.85 (17.22), July 17.10-17.05, Aug. 17.15-17.10, Sept. 17.20, Oct. 17.25, Dec. 17.40, Jan. 17.45-17.50.

Sugar—Spot 13.25 (13.35). March 13.39-13.45 (13.30), May 13.36-13.49 (13.40), July 13.39-13.45, Sept. 13.42-13.47, Oct. 13.44-13.45, Jan. 13.45 nom., March 13.41-13.47, May 13.47, July 13.46 nom. Sales, 2,014.

Tin—303.50-325.00 asked (301.00-325.00 asked).

**Wheat—March 375-375¼ (386½), May 381½-382 (375½), July 385-385¼, Sept. 391½, Dec. 402, March 409.

WINNIPEG, Feb. 11. ††Rye—May 264 asked (256½), July 259 asked (252 bid), Oct. 245¼ bid, Nov. 235 bid, Dec. 255.

cOats—May 163¼ (162½), July 158¼ asked (158), Oct. 158 nom., Dec. unquoted.

$Barley—May 233¼ (229¼), July 231½ bid (228 bid), Oct. 224 bid, Dec. unquoted.

dFlaxseed—May 676 (665), July 678 asked (669), Oct. 787 bid, Nov. 800 nom., Dec. 860 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 465 (475).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. $ Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up again on cheerful U.S. outlook

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 12.

STOCKS traded over a narrow range, with the bias on the upside for the fourth day in a row. Some issues responded to favourable corporate news, but in general demand stemmed from optimism about the U.S. economic outlook.

The number of New York Stock Exchange issues advancing outnumbered those in retreat by nearly a seven-to-five margin. The D-J Industrials Index added 2.52 at 974.42 and Utilities added 0.05 at 89.40. Stocks were up 0.22 at 297.95. But the Transport Index shed 0.79 at 201.94 and turnover was relatively low.

Closing prices and market reports were not available for this edition.

Pan American World Airways, the most active stock, gained $⅜ to $6½ on 349,200 shares, the bulk involving a block of 205,000 shares. Less active Stop and Shop climbed $1½ to $24⅞. It said the directors had voted a stock split and a boost in the dividend.

Ethyl Corp. rose $1⅜ to $38⅞, Corning Glass $1⅞ to $60¼, Northern Natural Gas $1 to $44½, and IBM $1½, to $257⅜.

Hilton Hotels moved up $½ to $36⅞ after the directors had authorised a two-for-one stock split. However, United Guarantee fell $⅜ to $10. The company said it had discontinued further writing of insurance on mobile home loans by its subsidiaries, which will result in a one-time charge to income.

Prices on the American Stock Exchange advanced in moderately active trading. The Amex index rose 0.42 to 92.24, while turnover approximated 1.75m. shares.

Patrick Petroleum, among the most active Amex issues, gained $1⅞ to $10½. Sambo's Restaurants picked up ⅞ to $18 and Syntex was up ½ to $35½.

The market showed a moderate gain. General Dynamics fell $⅜ to $44 after the Belgian Defence Minister warned the U.S. it would not sign a definite contract for 102 General Dynamic Corporation's F-16 aircraft if the two countries failed to agree on adequate compensating arrangements.

OTHER MARKETS

Canada higher

On Canadian markets, Oils and Papers took the forefront as stocks pushed broadly higher in active trading. The Western Oil index added more than a point in the sharpest rise while the Toronto Industrial Index gained more than ⅞ of a point. Trade picked up with noon volume tallying 1,616,249 shares against Wednesday's 1,468,500.

Bow Valley Oil gained ⅛ to $17⅞ and Hudson's Bay Oil and Gas rose ⅞ to $39¼. Canron jumped $1¼ to $22½.

Among Papers, Domtar was up ⅜ to $25½, and Macmillan Bloedel gained ⅜ to $28.

PARIS—Most sectors rose but Metals and Chemicals weakened while Banks were mixed.

Citroen gained Fr.1.3 at Fr.62.9 and Pernod-Ricard was also ahead on higher 1975 turnover. Americans rose slightly but German issues were mixed.

Aquitaine gained Fr.7.8 at Fr.783.8 while BSN Gervais put on Fr.13 to close at Fr.673. Thomson Brandt was ahead Fr.3.5 at Fr.253 but Redonte fell Fr.10 to Fr.667 while L'Oreal lost Fr.24 at Fr.1011.

BRUSSELS—The market was mixed in quieter trading with only slight movements. Electrobel, Hoboken, Hainaut-Sambre, Cockerill and FN rose while Electrafina, Gevaert, Clabecq, Union Miniere and Fimoutremer fell. All three Petrofina shares eased.

Sofina gained Fr.35 at Fr.3,375 but Soc. Generale Banque shed Fr.20 at Fr.2,825. La Royale Belge lost Fr.30 at Fr.5,500 and Vieille Montagne yielded Fr.20, to end at Fr.4,680.

AMSTERDAM—Shares eased in calm conditions despite the firmer tone on Wall Street. Dutch Internationals closed lower. However, Insurances firmed against the trend while Banks held barely steady.

KLM fell Fls.5.3 to Fls.123.5 after recent rises but Fokker rose. OCE was unchanged at Fls.180, but Elsevior lost Fls.5 to Fls.508. Unilever shed Fls.1 at Fls.125.4 and Nijverdad was Fls.1.5 lower at Fls.52.5.

FRANKFURT—The market was mixed with prices predominantly lower. Banks firmed with Dresdner Bank up DM2, while AEG added DM1.50 among Electricals.

Metals and Chemicals were easier on balance and Motors were down, led by Daimler which fell DM4.50 to DM351.5. Neckermann lost DM6 on lower profits.

Bond prices continued firm with most issues higher while the new two-tranche Federal Loan is now fully subscribed.

MILAN—The market closed generally higher in cautious trading, influenced by the forthcoming monthly settlement and the uncertain international monetary situation.

Fiat, Snia Viscosa, Assicurazioni Generali, Generale Immobiliaire and Montedison all gained. However, Pierrel lost a little ground.

Erba was L10 higher at L2,360, but Cucirini lost L51 at L4,799 and Italcementi was L960 lower at L32,750.

ZURICH — The market was irregular, but overall about maintained. Banks were little changed, while Oerlikon-Buehrle declined.

In Industrials Saurer rose SwFrs.40 to SwFrs.960. However, Sandoz Bearer declined SwFrs.125 and CIBA-Geigy lost SwFrs. at SwFrs.1,660. Hero was also lower, and Grand Mag. Jell. declined SwFrs.10 to SwFrs.1,245.

OSLO—Industrials tended easier while Banks held steady. Insurances and Shippings were quiet.

VIENNA—Quiet and irregular. Metal manufacturers declined and Breweries edged lower. But elsewhere, the market only fluctuated narrowly.

COPENHAGEN—The market closed generally higher in active dealings. Banks, Commodities, and Industrials gained although Shippings were mixed.

TOKYO—The market closed higher with Blue Chips and speculative issues leading the way in line with Wall Street.

High-priced Electricals firmed with investors encouraged by Wall Street's gain. Sony rose Y90 to Y2,660 and Pioneer Y30 to Y2,340. Cameras and Industrial Plant shares also gained ground. Institutional investors actively bought electric power shares. Tokyo Electric Power rose Y17 to Y740 and Tohoku Electric Power Y15 to Y895.

HONG KONG—Share prices firmed after falling steadily for the past five days but trading was fairly quiet. Profit-taking following the sharp rise around Chinese New Year has subsided and the market seems to have consolidated.

JOHANNESBURG—Gold shares eased in the afternoon following the lower London bullion price.

Elsburg dropped 7 cents to R1.93 and Harmony lost 5 cents to R5.70. Mining Financials declined following producers and Anglo-American shed 5 cents to R4.20. Coppers were easier and Messina fell 15 cents to R3.65. Platinums lost up to 5 cents.

AUSTRALIA—Markets closed on a generally stronger note in moderately active trading. Led by Oils and Uraniums, most sectors were able to consolidate Wednesday's gains.

Pancontinental closed at $A15.80 for a net $A1.30 gain while Queensland Mines jumped 10 cents to $A2.30. Kathleen gained five cents at $A1.50. EZ Industries bounded 15 cents to $A3.65 but its partner Peko-Wallsend was steady. Ocean Resources rose 5 to 43 cents and Ampol Ex gained four cents at $A1. BHP lost six cents to $A6.90.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Feb. 11	71.22	202.73	971.90	89.31	32,300
10	71.21	200.41	968.75	89.60	27,660
9	71.22	199.94	967.18	89.47	25,540
6	71.16	198.39	954.90	89.82	27,560
5	71.23	199.82	964.81	91.15	33,720
4	71.16	201.94	976.62	91.90	32,270
3	71.16	199.43	972.61	91.29	34,080
2	71.21	199.03	971.35	91.00	24,000
Jan. 30	71.26	199.36	975.28	90.87	38,510
29	71.20	196.05	968.75	91.07	29,800
28	71.13	195.84	961.36	90.56	27,370
27	70.92	197.36	967.31	90.75	32,070
26	70.94	197.26	961.51	90.65	34,470
23	70.90	197.38	953.95	90.82	33,840
22	70.26	195.57	943.42	89.98	27,420
21	70.85	196.77	946.24	90.34	34,470
20	70.73	197.42	949.86	90.39	36,690
19	70.67	196.08	943.72	90.30	29,450
1975-76 High	71.28 (11/2/76)	202.73 (11/2/76)	976.62 (4/2/76)	91.90 (4/2/76)	—
Low	68.16 (3/1)	146.47 (2/1)	662.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	38,510 (30/1/76)
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Feb. 6	Jan. 30	Feb. 7, 1975
3.91	3.83	5.56

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	Low	Feb. 11	Feb. 10	Feb. 9	Feb. 6	Feb. 5
54.24 (4/2/76)	37.66 (2/1/75)	54.76	53.68	53.70	52.87	53.44

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,923	963	563	397

	Feb. 11	Feb. 10	Feb. 9	Feb. 5	Feb. 4
New Highs	278	168	142	220	587
.. Lows	one	two	one	two	nil

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975-76 High	1975-76 Low	Feb. 11	Feb. 10	Feb. 9	Feb. 6	Feb. 5
	98.82 (11/2/76)	62.20 (2/1/75)	98.82	98.29	97.58	97.18	97.84
Volume (000's)			5,850	5,460	2,980	5,060	4,800

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Feb. 10	112.75	100.47
9	111.73	99.62
6	111.53	99.46
5	112.55	100.39
4	114.31	101.91
3	113.47	101.18
2	113.12	100.87
Jan. 30	113.10	100.86
1975-76 High	114.31 (4/2/76)	101.91 (4/2/76)
1975-76 Low	77.71 (3/1/75)	70.74 (3/1/75)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Feb. 5 1976	Jan. 28 1976	Feb. 5 1975
Ind. Ord. yield pc	3.30	3.42	4.34
Ind. Ord. p/e ratio	14.06	13.57	8.64
Long-term Govt. Bds. per cent.	5.81	5.83	6.21

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Inmont	630,600	12	+1
Ramada Inns	494,290	5⅜	+⅛
Polaroid	297,600	40⅞	−⅛
Pan-Amer. Air.	294,200	5⅞	+⅛
Colgate-Palmolive	282,800	26⅞	−⅛
Sony	274,800	8¼	—
Texaco	270,200	25⅞	−⅛
Gulf Oil	268,900	24⅜	+⅛
Citicorp	263,600	33⅞	+⅛
Braniff Inter.	263,100	12⅜	+⅜

TORONTO

INDUSTRIAL INDEX

Feb. 11	Feb. 10	1975-76 High	1975-76 Low
191.65	190.08	196.50 (13/7)	158.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Feb. 11	Feb. 10	1975-76 High	1975-76 Low
198.22	196.63	205.61 (15/7)	159.03 (2/1)

COMBINED INDEX

Feb. 11	Feb. 10	1975-76 High	1975-76 Low
192.21	190.43	198.00 (12/7)	158.05 (2/1)

JOHANNESBURG

	Feb. 12	Feb. 11	1975-76 High	1975-76 Low
Industrials	212.6	214.3	238.9 (16/7)	183.2 (23/1)
		212.3		
Golds	212.3	211.9	379.1 (12/1)	190.2 (9/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Feb. 12	Feb. 5	Jan. 29
On Dividends	5.66	5.56	5.43
On Earnings	9.25	9.26	8.97

SYDNEY ALL ORD. INDEX

Feb. 12	Feb. 11	High 1975-6	Low 1975-6
449.60	449.85	472.85 (23/1/76)	283.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Feb. 12	Feb. 10	High 1975-6	Low 1975-76
335.02	334.11	342.84 (1/2/76)	268.24 (10/1)

HONG KONG INDEX ⊕

Feb. 12	Feb. 11	High 1975-6	Low 1975-6
404.53	399.82	434.48 (4/2/76)	160.42 (9/1)

SINGAPORE INDEX §

Feb. 12	Feb. 11	High 1975-6	Low 1975-6
276.97	278.80	286.16 (5/2/76)	155.26 (8/1)

EUROPE

	Feb 12	Previous	1975-6 High	1975-6 Low
Belg'm (a)	111.76	111.98	113.31 (5/2/76)	89.07 (2/1)
Denm'k (b)	104.18	105.15	107.79 (27/1/76)	73.06 (13/1)
France (d)	70.4	70.3	72.6 (23/4)	61.70 (2/1)
Germ'y (e)	790.3	784.5	797.0 (5/1/76)	673.5 (2/1)
Holland (f)	105.3	105.9	107.6 (8/5)	83.2 (2/10)
Italy (g)	86.53	85.88	108.86 (21/2)	75.41 (17/10)
Spain (h)	95.76	93.79	110.96 (22/4)	91.85 (19/9)
Sweden (k)	419.10	415.06	419.63 (9/2/76)	310.06 (9/1)
Switz'rl'd (m)	294.9	296.2	297.7 (5/1/76)	206.5 (2/1)

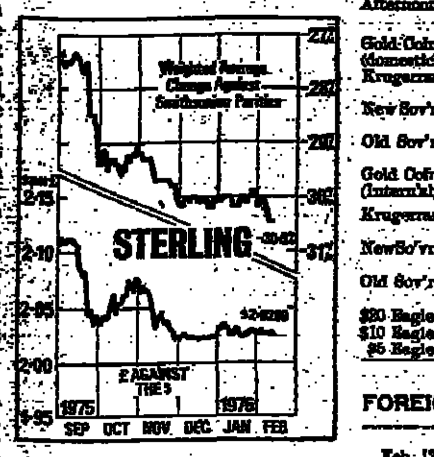
Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Franc weaker

Interest continued to centre around the relationship between the French franc and West German mark in the European currency "snake" yesterday. The West German authorities bought about Frs.80m. in Frankfurt, while the Banque de France continued to support the franc against the U.S. dollar and the D-mark, but central bank intervention was estimated to be on a smaller scale than on Wednesday. The D-mark finished at DM2.53625, against the dollar compared with DM2.5397½ previously, while the French franc was quoted at Frs.4.46875 compared with Frs.4.4540. No currency calculations were available from Morgan Guaranty, because of the closure of the New York market for a public holiday.

Sterling's trade-weighted average depreciation, as calculated by the Bank of England was unchanged at 30.5 per cent. after widening to a record low of 30.6 per cent. at noon and in early dealings. There was no pressure on the pound, however, and the Bank of England did not give any support. Sterling opened at $2.0275-2.0285 against the U.S. dollar and eased to $2.0250-2.0260, before closing at $2.0255-2.0265, a fall of 35 points on the day.

Gold gained $¾ to close at $131-$132 after a moderately active day. The krugerrand finished at $133¾-$135¾ (£66-67) in the domestic market, and the coin's premium over its gold content narrowed to 2.47 per cent. from 3.25 per cent. for domestic delivery, and to 2.85 per cent. from 3.06 per cent. in international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Feb. 11	Feb. 10
Sterling	0.577960	0.576995
U.S. dollar	1.17164	1.16957
Belgian franc	45.8023	45.9085
Deutsche mark	2.98500	2.98942
French franc	5.21819	5.25412
Italian lira	—	—
Japanese yen	—	352.041
Dutch guilder	3.11188	3.11455
Swedish krone	5.12124	5.12330
Swiss franc	3.00819	3.01258

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Feb. 12	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.541-42	56.95-7.00	6.51-52	5.15-155	95.75-80	99.25-60
N. York	39.53-56	—	22.45-47	2.567-570	2.031-031	37.77-79	39.33-35
Paris	175.35-75	4.4515-462	—	11.415-44	9.026-051	168.10-8.5	174.6-5.0
Brussels	15.34-38	38.99-39.02	8.74-76	—	79.01-14	14.7-14.72	15.27-30
London	5.13½-14	2.0255-65	9.04-051	78.86-9.05	—	5.36-37	5.16½-17½
Am'erdam	104.37-42	2.649-652	59.45-58	6.7905-795	5.368-374	—	105.83-87
Zurich	100.37-45	2.549-551	57.18-24	9.54-548	5.168-171	95.30-38	—

U.S. $ in Montreal. U.S. $=99.54-56 Canadian cents. Canadian $ in New York $C=100.44-46 U.S. cents. U.S. $ in Milan closed. Sterling in Milan closed.

EURO-CURRENCY INTEREST RATES*

Feb. 12 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	8¼-8½	4⅝-5⅛	7¼-8¼	2⅝-2⅞	2½-2¾	1-1¼
7 days notice	9¼-9½	4¾-5¼	8-9	2⅝-2⅞	2¾-3	1-1¼
Month	9⅞-10⅛	5-5½	8⅞-9	2⅝-2⅞	3⅛-3¼	⅞-1⅛
Three months	10-10¼	5⅝-5⅞	8⅞-9	2⅞-3⅛	3⅜-3½	1¼-1⅞
Six months	10⅝-10⅞	6-6½	9¼-9	3⅝-3⅞	3⅞-3⅞	2⅛-2⅜
One year	10⅞-11⅛	6¾-7¼	9½-9⅝	4⅝-4⅞	4⅜-4⅝	3⅛-3⅜

Euro-French deposit rate not available.

Longer-term Eurodollar deposit: two years 7½-7⅞ per cent.; three years 8⅛-8⅜ per cent.; four year 8⅜-8⅝ per cent.; five years 8⅜-8⅝ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5¼-5⅛ per cent.; three months 5⅜-5½ per cent.; six months 5⅞-6 per cent.; one year 6⅜-6⅝ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Feb. 12 1976
Gold Bullion (a fine ounce)	
Close	$131-132
Opening	$129⅝-130⅝
Morning fix'g	$130.00 (£64.109)
Afternoon fix'g	$131.30 (£64.740)
Gold Coins (domestic'ly)	
Krugerrand	$133¾-135¾ (£66-67)
New Sov'r'gns	$43½-45½ (£21½-22½)
Old Sov'r'gns	$41¼-43½ (£20½-21½)
Gold Coins (intern'ly)	
Krugerrand	$134¼-136¼ (£66¼-67¼)
New Sov'r'gns	$44-45 (£21½-22¼)
Old Sov'r'gns	$40¼-41¼ (£21¼-22¼)
$20 Eagles	$215-218
$10 Eagles	$105-108
$5 Eagles	$72-75

FOREIGN EXCHANGES

Feb. 12 1976	Bank Rates %	Day's Spread
New York	5½	2.0250-2.0290
Montreal	9	2.0155-2.0275
Amsterdam	4	5.45½-5.38
Brussels	†6	78.70-79.20
Copenh'gen	7½	12.35-12.40
Frankfurt	3½	5.12½-5.15½
Lisbon	6½	54.30-55.40
Madrid	†7	134.80-134.90
Milan	7	1,540-1,566
Oslo	6	11.13½-11.16
Paris	9	9.06-9.08
Stockholm	5½	8.83½-8.88
Tokyo	6½	607-615
Vienna	6	36.70-37.10
Zurich	2½	5.16-5.19

† Basic discounts. ‡ Given for convertible franc; closing financial rate $2.00-$2.25.

OTHER MARKETS

Argentina	188.18-189.88
Australia	1.5945-1.6107
Brazil	18.58-18.78
Finland	7.74-7.78
Greece	69.852-71.651
H'ng Kong	10.12½-
Iran	138-
Kuwait	0.586-
Luxemb'g	78.85-
Malaysia	5.1850-
N. Zealand	1.3225-
Saudi Arab	7.08-
Singapore	5.0120-
S. Africa	1.7521-1.7595
U.S.—	
Canada	
C$1— U.S. cents	100.38-

FORWARD RATES

	One month
New York	0.80-0.70 c. pm
Montreal	1.15-0.05 c. pm
Amst'dam	3⅛-2⅛ c. pm
Brussels	25-45 c. dis
Cop'nhg'n	1⅛-1⅛
Frankfurt	3⅛-2⅛ pf. pm
Lisbon	par-100 c. dis
Madrid	30 c. pm-10 dis
Milan	1 lire pm-2 lire dis
Oslo	4¼-2¼ ore pm
Paris	3-4½ c. dis
Stockh'lm	2½-1⅛ ore pm
Vienna	40-15 gro pm
Zurich	4⅛-3⅛ c. pm

Six-month forward dollar ... pm and 12-month ...

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—112¾% (113½%)

NEW YORK

Stock	Feb. 11	Feb. 10
Addressograph	11¾	12⅛
Aetna Life & Cas.	25⅛	24⅝
Air Products	74⅞	76¼
Airco	23½	22
Alcan Aluminium	24	23¾
Corning Glass	58⅝	55
CPC Int'nation'l	46⅛	46
Crane	65⅝	64½
Crocker Nat.	25⅞	25½
Crown Zellerbach	44	43½
Cummins Engine	24⅛	23⅞
Curtiss-Wright	12½	12⅛
Johns Manville	26⅝	26¼
Johnson Johnson	93¼	92⅞
Johnson Control	19⅝	18
Joy Manufactur'g	41¾	42¼
Kaiser Alumin'm	32⅞	33⅛
Kaiser Industries	10⅝	10⅝
Kaiser Steel	41¾	41
Reading	2⅜	2⅝
Republic Steel	35½	34⅞
Revlon	75¾	76
Reynolds Metals	35⅝	36
Reynolds R. J.	66¼	66
Rich'son Merrell	25	25¼
Rockwell Inter.	28¾	28¾
Zenith Radio	34¼	33⅛
Chile 3% 1993	87½	87½
Peru 3% 1993	—	—
U.S. Treas. 5¾% 1974	†100	†100
U.S. Treas. 4% 1980	†89¼	†89¼
U.S. Treas 4¼% 75/85	†81¼	†81¼
U.S. 90 days bills	4.92%	4.86%

CANADA

GERMANY ♦

Feb. 12	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	103	+1.3	—	—
Allianz Versich.	420	+2	‡17	1.9
B.M.W.	271	−1.5	14	2.6
BASF	169.5	+0.5	17	—
Bayer	140.5	−0.5	17	5.7
Bayer Hypo	317	−1	18	2.8
Bayer Vereinsbk.	316	−1	‡20	2.9
Commerzbank	207	+1	‡18	4.4
Contl. Gummi	102.5	−1	—	—
Daimler	351.5	−4.5	15	2.3

MILAN

Feb. 12	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	851	......	—	—
ANIC	800	+5	60	7.5
Ausonia Fin.	4,700	+50	130	2.8
Bastogi	1,220	+20	70	5.7
Breda	2,391	+47	165	6.3
Burgo	10,300	+250	200	1.9
Cantoni	7,380	+30	200	2.7
CIGA	2,495	+150	—	—
Cucirini	4,799	−51	250	5.2
Dalmine	476	−5	50	1.0

BRUSSELS/LUXEMBOURG

PARIS

AMSTERDAM

COPENHAGEN

VIENNA

AUSTRALIA

Feb. 12	Aust. $	+ or −
Acrow Australia	†0.80	......
Adelaide Brighton Cement 50c	†1.20	......
Allied Mnfg. Trdg. Indus. $1	†1.95	−0.02
Ampol Exploration	†0.98	+0.02
Ampol Petroleum	†0.60	−0.02
Assoc. Minerals	†3.0	......
Assoc. Pulp Paper $1	†0.98	......
Aust. Con Industries	†1.37	......
Aust. Foundation Invest.	†1.00	−0.02

TOKYO ¶

STOCKHOLM

OSLO ♦

JOHANNESBURG

MINES

February 12

Anglo American Corpn.

Charter Consolidated

East Driefontein

Elsburg

Harmony

Kinross

Kloof

Potgietersrust Platinum

St. Helena

South Vaal

SPAIN ♥

NOTES:

هكذا اصل الأصل

"Midland Bank plays an essential part in our organisation–just as we play an essential part in world trade"

–Richard Farmer, Managing Director of Atlas Express Group Limited at Rotherhithe.

Atlas Express is one of ...ain's largest independent and ...ately owned freight carriers.

In 1863, village carriers still ...ed goods from street to street, ...le the new railways carried ...n from town to town.

What was needed was a fast, ...ient service for getting goods ...a street in one town to a ...t in another.

Atlas Parcel Express, as it was ...called, was among the first to ...he gap.

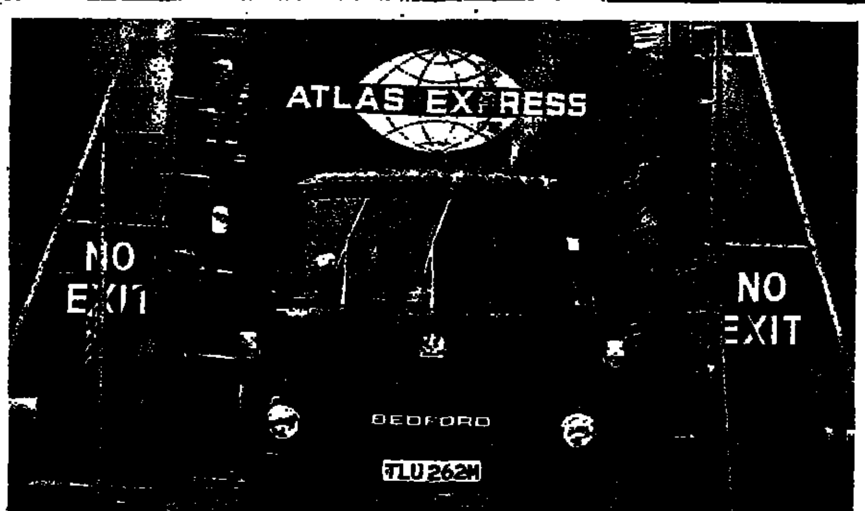
...wth and modernisation

Shortage of manpower ...ng and following the First ...ld War drastically affected the ...pany, and when Richard ...ner joined in 1935, during the ...rmanship of his father, it had not recovered fully.

Atlas covers Britain through over 50 collection and delivery centres.

He and his fellow directors set about ...lernising the company with the help of ...land Bank.

"But modernising a transport business," Richard Farmer, "involves hefty capital



One of the Atlas vehicles passing through an automatic cleaner.

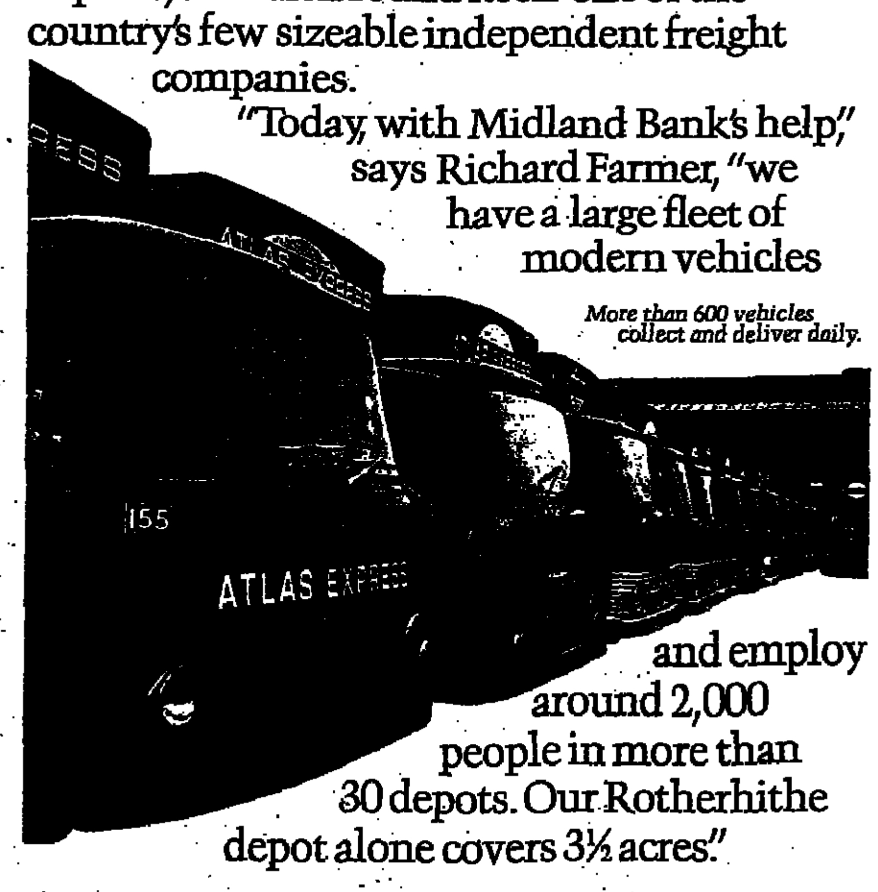
outlay for depot space, buildings and vehicles.

"In 1921, the company had to raise £2,250 in 5s. shares–a largish sum for those days–in order to continue. The shareholders responded, and since then they and Midland Bank have provided all the resources needed for our expansion."

International expansion

1947 was a major turning point for Atlas Express, as it then found itself one of the country's few sizeable independent freight companies.

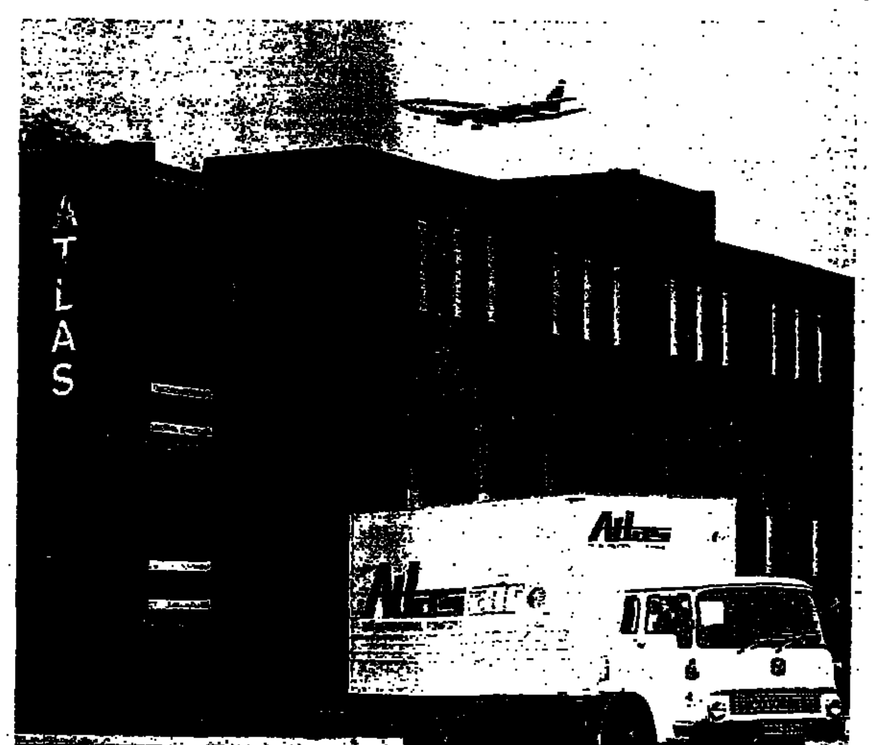
"Today, with Midland Bank's help," says Richard Farmer, "we have a large fleet of modern vehicles and employ around 2,000 people in more than 30 depots. Our Rotherhithe depot alone covers 3½ acres."



More than 600 vehicles collect and deliver daily.

Atlas Express delivers and collects worldwide through a large international network of freight agents, and has set up two other companies. Atlas Air, at Feltham, to handle purely air freight, and Eurofreight, to handle cargo on a continental basis.

"Midland Bank has always given us magnificent service," says Richard Farmer. "In fact all our directors and virtually all our staff here bank at the Midland privately.



Atlas Air HQ is Britain's first specifically designed consolidation centre.

"But most of all, the Midland has enabled us to grow on the scale needed for an international freight business–without ever having to go outside our close relationship with them for financial help or services."

As every successful business knows, expansion brings its own problems. It calls for new kinds of financial service. If it's your problem, why not talk it over with your local Midland manager?

Midland Bank Group

Principal trading companies: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited; Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trustee Company Limited; Midland Bank Trust Company Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited; Midland Bank Insurance Services Limited; The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited; Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited; Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited; London American Finance Corporation Limited; Guyerzeller Zurmont Bank AG.

The Property Market

BY QUENTIN GUIRDHAM

Shops: the problems of prime

For the institutional investor, a property is either prime, or it is rubbish.

That may be a bit of an overstatement, but the traumas of the past two years have produced cautious men. Flexibility, or new thinking on the parameters of prudent property investment are not what would-be fund managers put down on their application forms.

But, we are now told, there is a shortage of prime. How else to explain the deals, though there are very limited quantity of them so far ,at under 6 per cent.? There seems no reason, balancing up the changing attractions of other money havens, why the weight of institutional investment should lift, particularly if rents continue to show signs of bottoming out, even rising.

So where do we go from here? There are any number of what are perhaps only side-issues, for example, a revival of the reversionary market, or a new look at the funding of developments. But you come back to what is prime and what is rubbish. "What is rubbish." says one senior investment man. "is simply the way that absolute dividing line is drawn at all."

He was talking of retail investments. There is possibly no harder area to-day in which to define what is prime.

The immediate questions centre around levels of disposable income and where these are changing fastest in terms of what goods are being purchased, how they are bought and where, geographically, the increased rental values should accrue (for instance the sensible solution of nationalised pension funds, swollen with the wage increases of the last few years, putting an added emphasis on high street investments in the towns and cities where the wages are paid).

From the covenant point of view, we have compulsory price control, with great difficulties in foreseeing who might suffer most from gross or net reference margins.

And we have, of course, had a retailing revolution based on self-service. It is continuing to change the face of retailing and has hardly started in some sectors (think of the number of staff against daily transactions in the average chemist).

In investment terms, one trouble with the retailing revolution is largely that it's still going on. For instance there was institutional money in the 1960s for the 15,000 square feet supermarkets which were at the time the latest thing in food retailing and so could afford to be off-pitch, but they now, if they are still in the same hands, are reduced to superette status, and if not, they look a sick investment.

This rate of change, apart from utilising warehouse-like premises in locations which have no intrinsic retail magnetism, lies behind what appears the extremely conservative philosphy of investors. No one is queueing up to buy hypermarkets; supermarkets, where investments have been made, rate perhaps four yield points behind department stores. Those, despite their changing face now, were a 19th century retail revolution, and what rates ahead of them is an even older shape of shop, the about 30ft. by 100ft. High Street multiple. The "magnets," to define pitch, have switched to Marks and Spencer and other variety stores, and the high-margin, high rent payers have become fashion, footwear, jewellery and the like, but the shops are fundamentally the same.

The few favoured centres do not often change either, with the best streets of 30 or 40 cities still making up the top league (it is in Princes Street, Edinburgh, that a deal at perhaps under 5½ per cent. is now rumoured). Some investors' ideas of prime, in terms of the centre, are certainly now extending beyond the chosen few to take in, for instance, the bigger market towns with prosperous catchment areas.

H & B's rental curves

There is very little statistical evidence published on the trend of shop rents or investment values, probably because comparisons are especially hard in this area. So the recent paper from David Kerr of Healey and Baker is particularly valuable.

Among comparisons included was a study done for a Cambridge college involving 18 separate shop units in nine towns in the Midlands and East Anglia, the time span being 1962-73. Rental values grew at an approximate average annual rate of 9 per cent. for the period 1962-67, 12½ per cent. for the period 1962-72, and 15½ per cent. for the period 1962-73.

This increase in the growth rate was confirmed in another exercise, this time covering 19 units in seperate locations from 1965-75. The figures here were 12 per cent. for the period 1965-75, 13½ per cent. for 1967-75, 15½ per cent. for 1970-75 and 19 per cent. for 1972-75.

The combined sets of figures throw up an average 11.3 per cent. per annum growth in 1962-1975, which, said Kerr, "is representative of my firm's experience."

Kerr then shows how returns for a hypothetical investor work out, based on seven different shop units: one is in a town in the South East where the cancellation of a major development had caused some recent downturn in rental values; three are in the Home Counties in prime or near-prime positions; two more are in the North, where conversely new developments which have been achieved have diluted the monopoly value of the best trading pitches: and the seventh is in a 100 per cent. trading position in an East Anglian town.

The proviso on calculating the investment performance since 1962 is to assume five-year rent reviews, which were not common at the time.

Allowing for purchasing costs, Kerr reckons the investor would have seen a net yield of 6 per cent. from 1962 to 1967, 9 per cent. for the next five years, and 17.2 per cent. since 1972. At the 1977 rent review he would be expecting a yield rising to 25½ per cent.

Using a DCF calculation, the average yield over the period comes out at just under 12 per cent., where the yield on consols in 1961 and 1962 was 6¼ per cent.

Moving on to department stores, Kerr supports the argument for a future coming together of the trading patterns of department and variety stores. It should, he argues, provide an impetus in rental values provided the buildings are suited to modern retailing methods. He thinks the rental growth from the department stores has anyway been commensurate with that for shop units since 1962. There is, as he says, a pretty narrow investment market.

Conrad Ritblat has been involved in two of the larger recent deals giving a lead to department store values. It acted for Debenham when the group raised £3.9m. through a lease-back on four stores geared to 35 per cent. of the rack rental; and for Owen Owen, when it paid £2.04m. for eight department stores and two shops from Maple Macowards.

On food stores, Kerr draws conclusions from two samples, one of 2,000 square feet to 10,000 square feet units from 1962, and another of 15,000 square feet or more units since 1970, to show that that the smaller units' rental values follow the retail price index, whereas the larger, more modern stores, the initial rents seem to follow the construction index. It is hard to be sure, over such a short period, he admits, but produces a line showing 85 per cent. growth in rental value since 1972 on the Caerphilly Carrefour hypermarket.

Among Kerr's conclusions is, along with the exhortation to "invest in the best," the advice to widen the investment: "I should mix into my shop portfolio department stores, food stores and if my fund was large enough, I would take on as many of the better shopping centres as I could."

Re-enter Herring Son & Daw

Herring Daw has been reconstructed into Herring Son and Daw, the name the agents had until 1968. In working terms, what has happened amounts to a change of partnership in an ongoing business, but the financial detail is that a new unlimited company has been formed to acquire the good will and practice of another unlimited company formed in 1973. That was the one which bought, for shares and cash, the partnership interests of Herring Daw and Manners, and of B. A. James and Co., and so effected the merger of the two.

Brian James is not part of the new structure, having resigned in January to start up on his own. His former partner, Geoffrey Castle, remains as a consultant with Herring Son and Daw.

The changes are yet another spin-off from the Stern group collapse. Much of the business brought in with Brian James was tied to Stern. With the collapse, Herring Daw suffered a big financial loss—it is a Stern creditor for more than £300,000—and a less quantifiable blow to its reputation.

This has also been an uncomfortable and unprofitable incident for the group which backed the merger, S. Pearson and Son. The loan stock it acquired in the Herring Daw company, while on terms which ensured independent professional status, could have led to Pearson acquiring 75 per cent. of the equity.

In the new Herring Son and Daw company, the partners have, in effect, bought back most of this, at a reduced price. Pearson has, however, stuck by the business, assisting in the formation of the new company and subscribing both loan and convertible stock which, if exercised, would leave it holding just under 25 per cent. That figure is not accidental: it is the level which the Royal Institution of Chartered Surveyors may well settle on as a limit for outside interests if limited company structure is allowed to its members.

So while it returns for the present as an unlimited company instead of a partnership, to the name it had until eight years ago, Herring Son and Daw is in effect only going back to its position pre the James merger in 1973. In staff terms, it is in fact slightly larger, having been 60 in the U.K. before James added initially 10 heads, 100-plus at the peak, and now back to 75.

Neither of the senior directors, Nick Owen and Peter Harvey, pretend life has been easy, though the rating and investment sides have done much to pull them through and the agency side has shown significant growth. In image terms it comes down to trying to forget the last two years and stressing the other 201.

OUT AND ABOUT

● Richardson Developments, through Jones Martin Fleetwood, have leased the former Henry Meadows factory at Cannock Road, Wolverhampton, to Goodyear Tyre, which will use the property as warehousing. Total area is about 200,000 square feet and the property is subject to considerable renovation and repair work to be undertaken by the tenant.

● The last private house in St. James's Square, London, No. 5, has been lavishly restored (main contractors Dove Brothers) to produce 12,122 square feet net of offices, 7,676 square feet gross of residential space. Developer is Denys Cutmore's Monopoly Investments, which bought a 125-year lease in 1973 from the Byng family, descen[dants of] Thomas Wentworth, [Earl of] Strafford who acqu[ired the] building in 1711. It w[as exten]sively rebuilt in the 18t[h century] and altered in the 19[th. The] GLC is recommending [...] listing. The Byngs [...] using only the annexe [...] of the last 20 years.

Who wants such lux[ury? No] U.K.-based company, [...] public one, dares to [...] in such style. A for[eign company] might, particularly a [...] business opting for the [West End] rather than the City. [There is] no ODP yet for pure o[ffice] use, incidentally: the [...] consents are for Gover[nment or] institutional use.

But the main chance [...] an embassy, and ever[yone] thinks of the oil-rich [...] when properties like [this are] mentioned. Perhaps [...] even an Arab rich e[nough to] keep this as a private h[ouse or] office. But there are [...] private houses left in [...] or Berkeley Square, e[...] only one in Belgrave [Square].

It would need to be [...] who could comfortabl[y ...] garaging space for 11 [...] although agents Knig[ht Frank] and Rutley and Herrin[g Son and] Daw are quoting no [...] licly, something betwee[n ...] and £250,000 a year is hoped for.

● Keeler Optical Pro[ducts ...] less for their factory premises at South A[...] reported last week: £1[...] £140,000.

● E. Braggins and S[ons, sub]sidiary of Lonsdale [...] has bought the freeh[old of the] department store at S[...] Bedford, total area a[...] square feet. Purchase [...] cluding minor sub-le[...] £465,000, and added [...] which stood in Bragg[ins' books] at £160,000, this amou[nts to] costs of £625,000 again[st an esti]mated present value [...] more. Braggins was [...] Hammond Phillips Pa[...]

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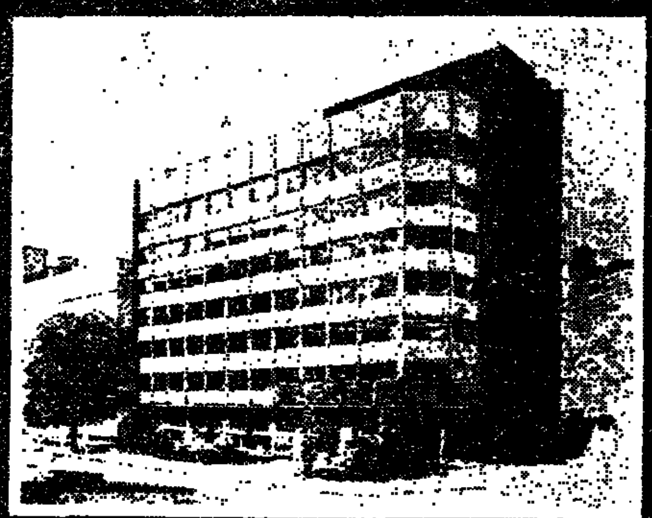

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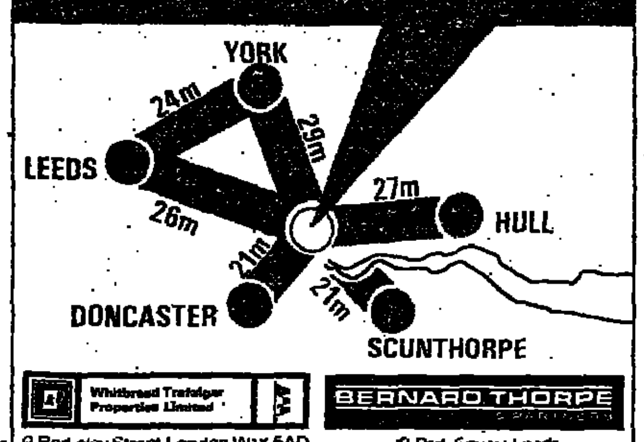

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Dacre, Son & Hartley, Chartered Surveyors, Royal Exchange House, Boar Lane, Leeds 1. Tel. 444421. Also Otley, Ilkley, Keighley, Skipton and Knaresborough.
Peter F. Smith, Industrial and Commercial, 4 South Parade. Tel. 456156.
SHEFFIELD
T. Saxton & Co., Chartered Surveyors, Estate Agents and Valuers, 53 Queen Street, Sheffield. (0742) 77635
David T. Ward & Co., Land & Estate Agents, Auctioneers, Valuers, 25-27 North Church St. Tel. (0742) 23205 9 Industrial & Commercial Depts.
YORK
Breader & Spencer, Chartered Surveyors, Estate Agents and Auctioneers, 6/7 Bridge St., York. Tel. (0904) 21441.

SCOTLAND
ABERDEEN
Bell-Ingram, Chartered Surveyors, 7 Queens Cross, Albyn Place. Tel. (0224) 24572
Burnett (F. G.), Chartered Surveyors, Valuers & Estate Agents. Tel. (0224) 572661.
EDINBURGH
Bell-Ingram, Chartered Surveyors, 7 Walker Street. Tel. 031-225 3271. Also at Perth, Irvine and Aberdeen.
S. D. Ellison & Partners, 57 Castle St. Tel. 031-226 6021: and Newcastle.
Leavers, 91 George Street, Edinburgh. Tel. 031-226 4791/2.
Walker Son & Packman, Chartered Surveyors, Commercial & Residential Property, 45 Hanover St. 031-225 3139.
GLASGOW
Conrad Ritblat, Conslt. Surv. & Vlrs., 3 Royal Cres. G3 7SL. 041-332 3577.

ISLE OF MAN
DOUGLAS
Cowley Alan & Co., 12 Athol Street. (0624) 3898 and also at Ramsey (062481) 2828.

IRELAND
BELFAST
Lisney & Son, 1/2 Donegall Sq. S., Belfast 1. Tel. (0232) 42860.
CORK
Lisney & Son, 35 Grand Parade, Cork. Tel. 25079.
DUBLIN
Leavers, 8 Dawson Street, Dublin. Tel. 0001-774323.
Lisney & Son, 24 St. Stephen's Gn., Dublin 2. Tel (0001) 764471. Telex 5504.

MINING NEWS

Minorco tells a sad story

BY KENNETH MARSTON, MINING EDITOR

THE LACK of dividend income from its 49.98 per cent. holding in Zambia Copper Investments is reflected in a sharp setback in half-year profits of Minerals and Resources Corporation (Minorco) and the omission of an interim dividend.

Net profits for the six months to December 31 come out at $US2.58m. (£1.27m.) compared with $7.16m. in the first half of the previous year and the total for the full year to last June of $11.41m.

It is pointed out that if the dividend income received from Engelhard Minerals and Chemicals (attributable to Minorco "A" shareholders) is excluded from the latest results they show a loss of approximately $0.85m. For 1974-75 Minorco paid a total of 14 cents (6.9p) on the Ordinary shares.

Under the Minorco expansion deal dividends on the "A" shares are restricted for the two years from June 1974 to income received from Minorco's 30 per cent. holding in Engelhard. The "A" holders include Anglo American with 29 per cent. and Charter Consolidated with 20 per cent.

Minorco has made loans, totalling $3.77m. at end-December, to the struggling Zambia Copper Investments which holds 49 per cent. of Nchanga Consolidated and 12.25 per cent. of Roan Consolidated Mines, both of which are making losses. There seems little hope of any resumption of Zambian copper dividends in the foreseeable future and thus Minorco cannot be expected to do better in the current half-year. The shares were 226p yesterday.

VILLAGE MAIN PLAN SHELVED

South Africa's veteran Village Main Reef gold mine has decided for the time being not to go ahead with a project to extract gold from two large sand dumps sited some three kilometres from its treatment plant. It is considered that the required capital expenditure of R1.2m. (£0.7m.) would not be justified in the light of the currently low price of gold.

Meanwhile, the company is drawing as much sand as possible from the small dump being treated to supplement ore available for milling. Clean-up operations are to start shortly and it is expected that they will continue to end-1976 but no dividend or capital repayment is expected before then.

BOLIDEN GOES TO CANADA

SWEDEN'S BOLIDEN has now taken effective control of Canada's Great Lakes Nickel through the direct acquisition of stocks and options, reports our Montreal correspondent. Great Lakes has a major low-grade nickel property in north-west Ontario which Boliden has been testing for several years.

The deal is subject to approval by the Foreign Investment Review Agency, but no Canadian interests have been eager to develop the property because of technical difficulties in treating the ore. It is believed that Boliden has special technology that has solved these difficulties.

There are several major nickel properties in eastern Canada, with large low-grade deposits, awaiting application of new technology and higher prices for development. The Great Lakes ore also contains possible commercial quantities of copper. It is assumed that Boliden will go ahead with development in about a year if market conditions are favourable.

ROUND-UP

Cornwall's new Mount Wellington tin mine is expected to start production at the end of this month. Shareholders are America's Cornwall Tin and Mining Corporation with 49 per cent. and Switzerland's Exeomm with 51 per cent. Canada's Prado has 53 per cent. of the U.S. company. The Gold Fields group's neighbouring Wheal Jane mine has been operating at a loss but the situation may have been relieved to some extent by the recent recovery in the tin price.

* * *

Australia's Project Mining reports "distinct signs" of uranium mineralisation at a relatively deep position at its Jim Jim joint venture prospect with Pechiney in the Northern Territory. There were no distinct signs of interest in Project shares, however, at around 18p yesterday.

* * *

A half-cent increase in dividend to 6.5 cents (3.09p) for 1975 is reported by the Gold Fields group's South African base-metal concern Vogelstruisbult Metal Holdings from net earnings of R1.25m. (£710,000) compared with R0.92m. in 1974. The shares were 65p in London yesterday.

W. Titanium cuts dividend

ALTHOUGH reporting a modest increase in net profit to $938,000 (£584,000) for the half year to December 29 compared with $825,000 for the corresponding period a year ago, the Gold Fields group's Western Australian beach sand minerals producer Western Titanium is halving its interim dividend to 3.5 cents (2.18p).

The company says that because of the likely impact of weakening prices and deferred or cancelled shipments, coupled with high interest charges and pre-production costs associated with the Eneabba operation, the latest half-year results are not necessarily indicative of those for the full year.

For the year to last June net profits were $1.67m. from which dividends totalling 21 cents were paid although, in order to bring the distributions into line with other Gold Fields group companies, it was necessary in that year to declare two interim dividends and one final. Western Titanium were a nominal 170p yesterday.

GOOD AUGURY FOR AMCOAL

When Anglo American Corporation merged its leading South African coal companies recently to form Anglo American Coal Corporation (Amcoal), a number of minor interests were excluded, mainly companies in Natal. Their half-year profits now announced make an encouraging showing which augurs well for the pending figures from Amcoal, reports our Johannesburg correspondent.

Natal Anthracite has raised its half-year profit to R932,000 (£529,485) from R587,000 despite lower sales, the bulk of which are in exports. The company says that the current half-year profits' increase will not be so good, however. Zuinguin Natal has increased sales and its half-year profit has risen to R232,000 (£131,808) from R174,000. Vierfontein's profit has moved up to R214,000 (£121,577) from R168,000.

The results thus suggest that, overall, the coal sector is still enjoying fairly buoyant profits despite the general recession in the South African economy and a cooling-off in export markets. Amcoal were 490p yesterday.

RTZ RHODESIA PROFITS FALL

Net profits of Rio Tinto (Rhodesia) for 1975 have dropped to $Rh.1.8m. from $Rh.4.25m. and the dividend is cut to 10 cents from 15 cents, reports our Salisbury correspondent. This reflects the fall in revenue at the Empress nickel mine which obtained low prices for its by-product copper and which also suffered from technical problems at the smelter.

However, the smelter problems have been overcome and a better year is expected for Empress in 1976. The parent company also felt the adverse effects of last year's closure of its Perseverance mine and also of lower selling prices for emeralds. The new chrome venture made a loss on the year.

Creditors holding up Crest reconstruction

THE LATEST report and accounts of Crest International Securities, the investment holding company with interests in property investment, development and trading, contains four separate auditors qualifications.

The auditors, Landau Morley, state that they are unable to express an opinion on the directors' estimation of the value of the group's investments in unquoted companies and in companies whose quotations have been suspended. They are also unable to express an opinion as to the adequacy of provisions made in respect of unsecured loans advanced by the company, or whether the value of freehold land and buildings is correct. The final qualification is concerned with the consequences of any bid that the company may be obliged to make for Ashbourne Investments: the auditors are unable to quantify the liability that may fall upon the company in such an event.

A letter from the chairman which accompanies the accounts—which cover an eighteen month period, having been deferred due to a "deterioration in the company's financial position"—states that the group's principal creditor, Mr. B. Glazer, is prepared to capitalise his £213,322 loan to the company into Preferred Ordinary shares in order to ease the group's proposed capital reconstruction scheme. Holders of a significant amount of convertible loan stock have also indicated their support for such a scheme, although two other main creditors (unnamed) are still opposing a scheme. The chairman tells shareholders that as soon as their support is forthcoming documents containing details of the reconstruction will be sent out.

One of the major causes of Crest's problems has been the involvement with Ashbourne Investments in which Crest at one time had a holding of 12 per cent. Crest was part of a consortium that put in a bid for Ashbourne. The group's holding in that company was acquired at an average price of 50p per share and was sold last August for a price of 13p a share. The proceeds of that sale, while representing a capital loss, were put to reducing group indebtedness. The Panel on Take-overs and Mergers has yet to submit a report to the High Court on its inquiry into the consortium's bid for Ashbourne.

Financial pressure has also forced Crest to sell other investments. During 1972, Crest acquired the largest single holding in Allied Plant Group and appointed several representatives to the Board. This entire stake was sold subsequent to March 31, 1975—a decision "taken with great reluctance."

The consolidated profit and loss account of Crest shows a group trading loss before tax of £435,000. After tax, extraordinary items and minority interests the group made a loss of £1.4m. Extraordinary items of over £1m. included provisions against the fall in the value of property and investments and goodwill written off. The consolidated balance sheet shows shareholders' funds as a negative figure of £280,000.

STOCK EXCHANGE REPORT

Markets quiet in front of Mr. Healey's statement

Share index 0.3 off at 400.0—Gilt-edged unsettled

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan. 26	Feb. 5	Feb. 6	Feb. 17
Feb. 9	Feb. 19	Feb. 20	Mar. 2
Feb. 23	Mar. 4	Mar. 5	Mar. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Trading activity in stock markets almost ground to a halt yesterday afternoon awaiting Mr. Healey's economic package on unemployment. A measure of business was provided by official markings of 5,910, the lowest since January 2 last, and compares with 8,148 recorded last Monday.

In the event, the package had very little impact on sentiment and leading industrials, which had fluctuated narrowly either way during the day, ended a shade easier for choice. Down 2.6 at its lowest of the day at 10 a.m., the F.T. 30-share index closed only 0.3 lower on balance at 400.0. Initial dullness reflected fears of another large fund raising issue, but when this failed to materialise, prices gradually recovered. Still reflecting the possible brake on the easing of interest rates and the strains in international monetary markets, particularly in view of to-day's announcement of the January trade figures, British Funds remained uncertain. Although a little above the worst, losses in this sector ranged to ¾ and the Government Securities index gave up 0.42 more to 62.72, making a fall of 2.49 from the 1975-76 peak reached January 30 last.

There were few changes in second-line equities, which failed to show a decided trend. However, rises just outnumbered falls by 4-3 in F.T.-quoted Industrials, but the F.T.-Actuaries All-Share index eased 0.4 per cent. more to 166.07.

British Funds extended the previous day's late downturn, finally showing losses ranging to ¾, after ⅞, at the longer end. The undertone was obviously reflecting indecision in front of Mr. Healey's economic measures, and to-day's trade figures for January. A fair amount of stock came on offer initially, but in the later morning and afternoon dealings became very quiet. The shorts, too, lost some ground, although this was generally small. Dealers took precautionary action after-hours by widening their dealing spreads, but Mr. Healey's proposals brought forth little interest although at first glance these seemed unlikely to put the market lower.

A continuing small two-way trade made no great impression on the investment currency premium, which closed ¼ higher at 113¾ per cent. Yesterday's SE conversion factor was 0.6018 (0.6034).

Nat. West better

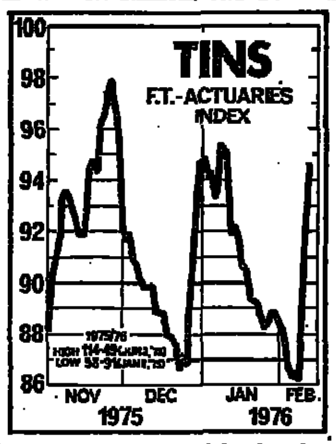
Although still worried by talk of fresh cash raising operations, the big four Banks edged tentatively forward yesterday. National Westminster picked up 3 at 253p and Midland improved 2 to 287p. Overseas issues were mixed, with Hong Kong and Shanghai recovering 2 more at 344p, but Australia and New Zealand losing 8 at 405p. Discounts were easier again with Gerrard and National 5 off at 285p. Further consideration of the first-half performance left UDT a penny down at 26p in Hire Purchases.

Small losses were the order of the day in Insurances after a small trade. General Accident, the only major Composite yet to announce a "rights" issue, shed a penny to 169p; the results are due next Wednesday.

Still on the chairman's encouraging remarks at the annual meeting, Arthur Guinness picked up 2 more to 137p in quiet Breweries.

Movements of note were few and far between in Buildings. Taylor Woodrow managed to close a penny better at 302p after news of a £15m. coal contract. G. Dew, 114p, and A. V. Jennings, 166p, put on 4 apiece.

ICI (results next Thursday) closed a penny easier at 374p. Scottish Agricultural were finally unchanged at 218p, after 215p, following the results, while trading news was also reflected in William Ransom and Bernard Wardle, both of which closed a penny harder at 80p and 12½p respectively.



BSR in demand

Idle trading conditions continued to prevail in leading Electricals, which stirred only slightly from overnight levels. EMI, 250p, and Thorn Electrical, 246p, eased 2 apiece, while GEC, 150p, after 149p, and BICC, 125p, after 127p, finished without alteration. Philips Lamp, £10⅛, lost the previous day's gain of ⅛. Elsewhere, an isolated bright spot was provided by BSR, which rose to a 1975-76 peak of 120p before closing a net 5 higher at 118p on buying in anticipation of the preliminary results, which were announced last year in early March. The Japanese Sony were noteworthy for an improvement of 30 at 700p. Newman Industries, a depressed market of late on the Thomas Poole and Gladstone China affair, eased a penny further to 52p.

Wades Departmental "A" provided a minor feature in Stores, rising 4 to a 1975-76 peak of 44p following Press comment on the interim report. Burton Group consolidated recent strength, the Ordinary closing 2 harder at 57p and the "A" finishing 1 better at 55p. Marks and Spencer held at 104p, but "Gussies" "A" gave up 2 more at 210p. Among smaller-priced issues, Maple Macowards and Steinberg both closed a penny easier at 10p and 14p respectively.

Engineering movements were often marginal and in both directions. The leaders lost some ground, with Hawker closing 3 off at 405p and Tube Investments 2 cheaper at 332p. John Brown, however, benefited from continuing bid speculation and, after easing to 80p, picked up to end a net 2 higher at 84p. The letter formerly rejecting the C. Walker offer, which contained both a profits and dividend forecast for Coated Metals, encouraged hopes that a higher bid might be made and the latter rose 8 to 105p. Bamfords responded to increased profits by improving 1 to 25p, but there was little else of note in the sector. Mather and Platt attained a fresh peak for the 1975-76 period of 62p, up 2, while Lake and Elliot eased that much to 67p.

The Food sector passed an uneventful session. Tate and Lyle, however, attracted a fair amount of interest, but closed unchanged at the overnight level of 266p, after 264½p. British Sugar, reflecting the chairman's view that prospects are "excellent," moved up 5 to 365p for a two-day rise of 12. Cullens Stores were also better, the Ordinary closing 3 harder at 105p and the "A" finishing 5 to the good at 85p. Geo. Bassett firmed 2 to 80p, but small selling left Hazlewoods 4 easier at 21p and Tavener Rutledge 6 cheaper at 90p.

Reo Stakis, 3 higher at a 1975-1976 peak of 27p, provided an isolated firm spot in Hotels and Caterers.

Thos. Witter advance

Despite the reported denial of a pending "rights" issue, Reed International followed Wednesday's loss of 6 with a fresh reaction to 267p before picking up to 270p, a penny lower on the day. Unilever declined 4 to 442p, but Boots ended just a penny off at 135p, after 132p. Elsewhere, Thomas Witter featured "after-hours" with an advance of 8 to a 1975-76 peak of 28p in response to the strong second-half recovery and restored dividend. Continuing to benefit from the annual results, Securicor and Security Services both added 2½ at the common price of 60p. Silentnight moved up 5 to 58p, while improvements of 4 were recorded in John M. Newton, 36p, and Royal Worcester, 138p. Associated Sprayers put on 2½ to 19p, but Channel Tunnel, 54p, relinquished 6 more of the recent speculative rise. The proposed "rights" offer and forecast of lower profits left LCP Holdings 3 cheaper at 69p, while George Wills, still on the profits warning, shed 2 more to 36p for a three-day fall of 9. After the recent speculative advance on the bid talk news, Sandhurst Marketing, in the wake of sharply lower half-year profits coupled with adverse Press comment, eased 2 to 32p.

Motors and Distributors were notable for a speculative flurry in BSG International, which improved to a 1975-76 peak of 21p before closing 1½ better on the day 20p. Pride and Clarke moved up 5 to 160p on the increased dividend payment, but Cornercroft contrasted with a fall of 2 to 36p on the reduced earnings.

Morgan Grampian, already 3 higher at 65p, remained at that level following the approach from Communica-Europa with a possible offer of 70p cash per share. Newspapers improved further and Daily Mail "A" closed 4 up at 206p, while Beaverbrook "A" gained 2 to 39p and Thomson picked up 3 late to 251p. Paper-Printings were basically dull with Sir Joseph Causton 1½ off at 8½p. Elsewhere, Lowe and Brydone rallied more strongly after the recent weakness to end at 35p, up 7.

Bernard Sunley fall

Property leaders tended to retrieve early minor losses in very thin trading, although British Land, 36½p, and English Property, 65½p, still showed declines of a penny at the close. MEPC were finally unaltered at 83p, after 81p, as were Town and City Properties, at 22½p, after 21½p. Secondary issues showed an easier bias, with Bernard Sunley prominent at 140p, down 8. Estates Property Investment, in front of to-day's first-half results, shed 2 to 57p. London Bridge Securities hardened 2 to 21p and Laganvale Estates rallied a penny to 8p.

Many inquiries in Oils were for Lasmo/Scot units which moved up to 200p before closing a net 3 higher at 195p while the 14 per cent. Loans eased ¼ to £31, in £50 paid form; completed business in all stocks was relatively modest and Burmah, unchanged at 46p, figured more prominently in the day's most active stocks list. British Petroleum lost 5 to 585p, being slightly depressed by scattered sales and general lack of trade, while Shell slipped 2 to 382p and Ultramar 4 to 188p. Unusually, London interest helped Woodside-Burmah to rise 5 to 131p, after 133p.

Gulf Fisheries of Kuwait's substantial increase in its stake in Lonrho continued to arouse speculative buying in the latter on hopes of a change in domicile; after Wednesday's advance of 7, the shares improved afresh to 132p before ending a net penny higher at 130p. Elsewhere in Overseas Traders, Inchcape rose 7 to 402p, but Paterson Zochonis, 430p, and "A," 420p, reacted 30 and 20 respectively.

Dalgety excelled once again in Trusts and Financials, rising 12 more to 250p following comment on the good results, for a two-day advance of 29. Challenge Corporation (interim figures due next Wednesday) improved 2 more to 165p and Northborough, with the help of newspaper comment, hardened a penny to 10½p. Despite the halved profits, Direct Spanish Telegraph improved 2½ to 48½p. News of the planned merger left both participants, Scottish and Second Scottish, around 3 lower at 89½p and 88½p respectively.

Shippings were virtually ignored all day and closed with minor mixed changes. P and O Deferred cheapened a penny to 111p; the preliminary results are due next Wednesday.

After touching extremes of 160p and 157p, Courtaulds closed a net penny dearer at 159p in mixed Textiles. A small demand ahead of next Wednesday's preliminary results left Carrington Viyella 1½ better at 35p. Wood Bastow touched 68p on the higher half-year earnings before easing late to close unaltered on the day at 66p. News of a director's resignation left UU a shade off at 3½p.

Light profit-taking brought about a fresh fall of a penny to 84½p, after 83½p, in Imps.

South African Industrials had a mixed appearance. Abercom Investments finished 4 easier at 261p despite increased first-half profits, while Gold Fields Properties receded 4 to 50p. Associated Manganese, however, hardened ½ to £15, while Edworks, 5 up at 75p, and Anglo Transvaal Industrial, 10 higher at 165p, were other firm spots.

details of the agreement reached between McLeod Russel and James Finlay regarding their holdings in four associated tea concerns led to the companies involved being marked higher yesterday; Teith and West Nile both rose 25 to the common level of 420p, while Consolidated Tea and Lands put on 20 to 360p and Cessnock improved 10 at 270p. McLeod Russel returned to the market after being suspended last December at 130p and, after opening at 150p, closed at 140p. Reflecting the dividend and profits forecasts contained in the offer documents, James Finlay edged forward 2 to 137p. Rubbers were quiet, but firmer in places.

Africans unsettled

African mining shares in general were affected by nervousness engendered by the movement of Communist forces towards the Angola-South West Africa border.

De Beers were particularly affected, falling 14 to 302p, while "Johnnies" lost ¾ to £19¾ and General Mining ... Messina were ... Minorco dr... front of the ... and dividen...

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Australians ... better in line ... firmness in ... "Down-Under."

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Tins contin... the recent re... metal price. ... 20p to 180p i... Ayer Hitam ... 1975-76 high ... and Gopeng ... higher.

Elsewhere, ... advanced 9 t... is expected t... for alluvial g...

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/6/75)	197.1 (20/1/76)	442.3 (22/6/75)	43.5 (26/10/71)

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Thursday, Feb. 12, 1976.

	Equity groups	Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Feb. 11 Index No.	Tuesday Feb. 10 Index No.	Mon. Feb. 9 Index No.	Friday Feb. 6 Index No.	Year ago (approx) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (173)	150.19	−0.3	15.38	5.65	9.84	9.84	150.60	149.79	150.59	153.11	99.23	155.06 (30/1/76)	51.78 (6/1/75)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	144.43	−0.1	11.80	5.92	13.20	13.19	144.54	143.52	143.65	146.91	92.92	150.16 (15/1/76)	45.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	240.10	−0.6	14.60	4.07	10.69	10.69	241.62	238.32	239.05	240.45	171.40	263.54 (16/11)	74.74 (6/1/75)	389.33 (19/6/73)	71.48 (12/12/74)
4	Electricals (16)	261.11	—	16.71	4.57	8.77	8.77	261.12	259.17	261.45	270.34	185.26	273.62 (2/2/76)	98.49 (2/1/75)	350.04 (4/5/72)	84.71 (25/6/68)
5	Engineering (Heavy) (13)	170.11	−0.8	19.22	6.94	8.46	8.46	171.57	170.64	170.69	175.33	115.50	181.38 (30/1/76)	64.39 (2/1/75)	202.57 (3/6/73)	64.39 (3/1/75)
6	Engineering (General) (63)	135.23	−0.4	16.37	6.26	9.16	9.15	135.73	135.99	136.92	138.06	85.07	138.55 (5/2/76)	46.43 (6/1/75)	168.59 (4/5/72)	46.43 (6/1/75)
7	Machine and Other Tools (9)	56.01	−0.2	15.07	6.68	11.96	11.96	56.14	55.51	55.35	55.39	32.69	56.14 (11/2/76)	20.11 (2/1/75)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	130.42	−0.5	15.92	6.43	9.54	9.54	131.09	129.60	129.97	131.89	84.86	133.69 (30/1/76)	49.66 (6/1/75)	177.41 (27/4/72)	49.66 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	131.69	+0.1	14.20	4.75	10.63	10.62	131.59	129.93	131.13	133.28	72.83	134.33 (4/2/76)	38.39 (6/1/75)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	148.20	+0.1	13.06	3.61	11.46	11.44	148.11	146.10	147.81	151.06	86.95	152.60 (4/2/76)	44.28 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	178.65	−0.2	13.85	6.18	10.67	10.64	178.93	178.36	178.92	181.22	113.86	182.85 (4/2/76)	64.65 (6/1/75)	265.92 (4/5/72)	65.92 (17/12/74)
12	Motors and Distributors (27)	78.33	+0.2	16.18	5.97	9.51	9.51	78.16	77.00	77.58	78.28	37.03	78.58 (4/2/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	156.71	−0.6	13.42	5.62	11.04	10.94	157.64	156.92	157.79	160.83	116.95	162.24 (6/2/76)	61.98 (6/1/75)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	170.99	−0.4	13.19	6.31	11.37	11.37	171.60	169.89	172.78	175.21	137.51	179.43 (2/2/76)	75.68 (6/1/75)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	178.39	+0.6	10.38	5.65	14.62	14.62	177.32	176.17	179.65	183.10	136.58	185.67 (2/2/76)	80.42 (6/1/75)	257.40 (15/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	202.96	−0.9	10.99	6.01	14.55	13.88	204.88	201.84	203.96	206.68	113.29	208.60 (5/2/76)	55.38 (6/1/75)	329.99 (12/12/72)	54.67 (19/7/74)
17	Food Manufacturing (22)	167.11	−0.7	13.04	4.96	10.80	10.73	168.22	166.86	169.17	172.18	119.80	174.03 (4/2/76)	62.03 (2/1/75)	311.65 (1/6/72)	59.78 (11/12/74)
18	Food Retailing (16)	139.46	−0.3	11.58	4.96	12.54	12.54	139.88	140.00	140.97	144.11	114.19	155.88 (10/11)	57.15 (2/1/75)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	181.28	+0.1	12.45	5.58	12.06	12.06	181.11	180.74	181.16	181.99	103.54	181.99 (6/2/76)	55.08 (6/1/75)	250.29 (18/1/73)	55.08 (6/1/75)
20	Packaging and Paper (13)	106.77	+0.5	20.71	7.15	7.19	7.19	106.25	106.44	107.14	110.02	83.46	111.44 (4/2/76)	43.46 (6/1/75)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (33)	131.58	−0.9	11.39	5.14	13.48	13.46	132.83	131.80	132.07	135.32	105.21	136.24 (2/2/76)	62.65 (6/1/75)	204.39 (16/8/72)	62.63 (6/1/75)
22	Textiles (22)	175.63	−0.2	13.55	6.15	9.60	8.91	176.02	175.44	175.34	180.09	116.15	183.19 (30/1/76)	62.91 (6/1/75)	253.72 (11/8/68)	62.66 (11/12/74)
23	Tobaccos (3)	226.49	−1.0	19.42	6.26	7.92	7.92	228.77	227.77	228.53	231.85	175.04	236.22 (5/2/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	63.68	+0.1	21.41	6.24	6.50	6.50	63.63	63.28	63.09	62.87	37.04	63.76 (20/11)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	212.54	−0.4	13.18	4.63	10.64	10.64	213.33	212.53	212.96	218.11	135.69	219.92 (4/2/76)	73.14 (6/1/75)	219.92 (4/2/76)	71.20 (1/12/74)
26	Office Equipment (10)	88.14	−0.1	14.68	5.92	10.03	10.03	88.26	88.32	88.37	92.18	99.04	104.76 (17/4)	45.34 (2/1/75)	246.06 (1/8/73)	45.34 (2/1/75)
27	Shipping (12)	406.37	−0.4	17.78	6.09	7.19	6.91	408.01	406.75	406.97	416.06	327.20	432.64 (30/1/76)	194.58 (6/1/75)	517.00 (6/12/72)	90.80 (29/5/62)
28	Miscellaneous (48)	166.12	−0.3	14.23	6.36	10.35	10.35	166.67	166.05	166.68	169.69	118.64	172.73 (30/1/76)	60.39 (6/1/75)	268.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	158.87	−0.4	14.07	5.50	10.47	10.41	159.53	158.75	159.52	162.64	112.11	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	333.55	−0.7	15.08	4.83	7.40	6.63	335.86	335.86	333.55	345.30	210.38	351.71 (9/1/76)	105.85 (2/1/75)	441.65 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	173.55	−0.4	14.22	5.40	9.87	9.61	174.34	173.61	174.14	177.20	120.50	178.85 (30/1/76)	63.49 (6/1/75)	227.95 (18/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	142.89	−0.2	—	4.96	—	—	143.11	143.77	144.49	148.66	112.78	153.40 (30/1/76)	56.50 (6/1/75)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	170.18	+0.1	16.33	4.78	9.42	9.42	169.93	170.37	170.42	178.83	123.49	192.16 (29/1/76)	62.56 (2/1/75)	288.52 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	174.92	−1.4	—	7.03	—	—	177.31	178.74	179.11	183.30	147.12	186.52 (13/1/76)	84.13 (6/1/75)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	122.62	−0.6	—	5.14	—	—	123.31	121.52	124.26	127.46	108.20	134.39 (10/3)	42.81 (6/1/75)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	123.09	+0.5	—	5.55	—	—	122.53	122.78	123.79	125.66	97.39	129.46 (30/1/76)	44.88 (2/1/75)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	113.11	−0.2	—	6.06	—	—	113.33	114.75	114.89	117.99	83.03	123.90 (2/5)	44.47 (2/1/75)	165.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	224.67	−0.4	9.07	4.15	16.64	16.64	225.53	225.76	227.59	238.95	148.24	232.39 (18/11)	68.96 (7/1/75)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	89.01	−0.4	—	6.19	—	—	89.37	89.94	90.86	91.68	73.16	94.97 (7/3)	31.21 (7/1/75)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	184.02	−0.4	2.49	2.63	76.77	71.28	184.79	185.15	187.41	191.05	183.63	241.22 (22/4)	88.19 (7/1/75)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	88.26	−3.1	14.56	6.15	10.77	10.77	91.13	89.44	89.93	90.84	64.02	91.98 (3/2/76)	34.78 (10/1/75)	303.15 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	175.51	−0.6	2.86	4.09	34.97	34.95	176.53	174.82	175.85	178.66	138.92	184.59 (30/1/76)	73.46 (6/1/75)	240.79 (25/4/72)	71.53 (13/12/74)
43	ALL-SHARE INDEX (650)	166.07	−0.4	—	5.24	—	—	166.74	166.26	166.84	170.10	119.11	172.64 (30/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	458.62	+0.3	13.97	7.33	10.98	10.96	457.04	446.34	441.20	444.65	393.01	535.43 (23/5)	281.66 (2/1/76)	555.87 (24/7/73)	84.68 (25/8/65)
45	Teas (9)	126.91	+2.8	37.25	8.16	3.94	3.88	123.45	122.85	123.12	124.26	82.72	126.91 (12/2/76)	76.76 (10/1/75)	126.91 (12/2/76)	69.72 (17/10/74)
46	Coppers (3)	261.63	−2.7	37.77	6.57	2.65	2.65	269.02	270.43	269.02	270.43	425.83	467.74 (27/5)	251.97 (18/12/75)	567.78 (13/7/73)	94.08 (29/4/63)
47	Mining Finance (11)	108.42	−1.0	10.90	4.64	10.37	10.37	109.46	108.90	109.19	110.10	106.79	141.34 (30/5)	80.58 (22/1/75)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	94.66	+3.2	13.81	9.54	10.80	10.13	91.71	88.59	86.09	86.49	85.31	114.49 (3/6)	58.91 (8/1/75)	125.43 (12/1/73)	64.83 (27/6/71)
49	Overseas Traders (13)	236.88	+1.7	14.03	4.37	9.12	9.12	234.95	230.46	231.68	234.41	176.65	252.23 (20/5)	97.37 (6/1/75)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., Feb. 12 Index No.	Thurs., Feb. 12 Yield %	Wed. Feb. 11	Tuesday Feb. 10	Mon. Feb. 9	Friday Feb. 6	Thurs. Feb. 5	Wed. Feb. 4	Tuesday Feb. 3	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	13.81	13.61	13.61	13.79	13.41	13.31	13.22	13.22	14.75	—	—	—	—
2	20-yr. Govt. Stocks (6)	50.52	12.87	51.15	50.98	51.23	51.92	52.22	52.54	52.61	48.10	53.45 (30/1/76)	38.27 (3/1/75)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	51.03	14.49	51.00	51.15	51.15	51.34	51.46	51.46	51.36	45.20	51.46 (4/2/76)	37.01 (3/1/75)	113.45 (23/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	49.63	13.96	50.16	50.39	50.39	50.22	50.24	50.29	50.29	41.94	50.39 (9/2/76)	35.35 (3/1/75)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	68.94	13.75	68.29	69.57	69.89	70.58	70.61	70.96	71.03	60.43	71.97 (2/2/76)	47.67 (6/1/75)	114.95 (7/10/63)	47.67 (6/1/75)

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
ICI	£1	12	374	− 1	387	118
Burmah Oil	£1	11	46	—	100	27
Dalgety	£1	11	250	+12	251	83
Midland Bank	£1	10	287	+ 2	320	122
Lonrho	25p	10	130	+ 1	159	68
Tate and Lyle	£1	10	266	—	292	85
BSG Intl.	10p	9	20	+ 1½	21	4
BSR	10p	9	118	+ 5	120	20
Imperial Group	25p	9	84½	− 1	88	32
Cons. Gold Fields	25p	8	195	− 5	290	188
De Beers Defd.	R0.05	8	302	−14	325	161
Tube Invs.	£1	8	332	− 2	350	121
"Bats"	25p	7	353	—	377	164
Brown (J.)	£1	7	84	+ 2	120	42
GEC	25p	7	150	—	162	51

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 3	Feb. 16	Apr. 29	May 11
Feb. 17	Mar. 1	May 13	May 25
Mar. 2	Mar. 15	May 27	Jun. 9

"Calls" were done in British Land, Amalgamated Investment, Siebens Oil and Gas, Lonrho, Lake and Elliot, Boots, Norwest Holst, MEPC, Samuel Properties, Ultramar, BSR, English Property and BSG. No "puts" were reported, while "doubles" were arranged in British Land, Amalgamated Investment and Ladbroke Warrants.

Industrials: A. P. Cement 15; Assoc. Leisure 3; Guardian 20; G.K.N. 22; Hawker Sidd. 35; House of Fraser 8; Spillers 5; Tesco 5; Thorn "A" 20; Tube Invest. 27; Shell 25; Ultramar 20; ... Courtaulds 11; Debenhams 8; Distillers 13; Dunlop 7½; Eagle Star 13; E.M.I. 17; Gen. Accident 16; Gen. Electric 13; Glaxo 35; Grand Met 7; G.U.S. 'A' 17; Marks & Spencer 10; Midland Bank 22; Nat'l West Bank 20; "Do" Warrants 10; P & O Dfd 11; Plessey 8; R.H.M. 6; Rank Org. 'A' 18; Reed Int'l 23; Rothmans 4; Slater Walker 4½; Cap Counties 3½; E.P. 8; Land Securities 18; MEPC 10; Peachey 5½; Town & City 3½; Town & Comm. 4; Oils: Brit. Petroleum 40; Burmah Oil 7; Mines: ... Kloof 100; Lonrho 12; Loraine 55; Poseidon 55; Pres. Steyn 200; Rio T. Zinc 17; Welkom 55; West Areas 40; Western M'ng 18.

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (66)

NEW LOWS (4)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	51	7
Corpns. Dom. and Foreign Bonds	4	19	41
Industrials	240	324	1,149
Financial and Prop.	71	134	383
Oils	3	7	23
Plantation	15	2	39
Mines	28	57	66
Recent Issues	7	12	22
Totals	368	606	1,722

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 9½ per cent. (since February 6, 1976)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave a large amount of assistance by buying Treasury bills and corporation bills from the Discount houses. Banks carried forward surplus balances, Government disbursements exceeded revenue payments to the Exchequer, and there was also a fall in the note circulation. On the other hand there was a net market take-up of Treasury bills, and repayment was made of Wednesday's official market advances.

Discount houses paid 9¼-9⅝ per cent. for secured call loans at the start, and rates eased to 7¾-8 per cent. in the afternoon, but closed at 9 per cent. in places.

In the inter-bank market overnight loans opened at 9¼-9⅝ per cent. and touched 9¼-9½ per cent., before easing to 7½-8 per cent. in places, and closing at 8-8½ per cent.

Short-term fixed period interest rates remained fairly firm. The three-month sterling certificate yield was quoted at 9¼-9⅛ per cent., compared with 9⅛-9⅛ per cent. previously.

Rates in the table below are nominal in some cases.

Feb. 12 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills φ	Bank Bills φ	Fine trade Bills φ
Overnight	—	7½-9½	—	—	—	9½-10⅛	7¾-9⅜	—	—	—
2 days notice	—	—	9 9⅛	—	—	—	—	—	—	—
†7 days or 7 days notice	—	9-9⅜	9-9¼	—	—	—	9⅛-9⅜	—	—	—
One month	9¼-9⅛	9⅛-9⅛	9¼	9⅞-9¼	9¼-10¾	—	9	8⅞	9¼-9⅛	10-9¾
Two months	9¼-9⅛	9⅛-9⅜	—	9¾-9¼	9¼-10¾	—	8⅞	9-8⅞	9⅛-9⅛	10-9¾
Three months	9¼-9⅛	9⅛-9⅜	9¼-9⅜	9¾-9¼	9¼-10¾	—	8¾-8⅞	8⅞	9⅛-9⅛	10-9⅝
Six months	9⅜-9¼	9¼-9½	9¼-9½	10-9½	9¼-10¾	—	—	—	9⅛-8⅞	10-9⅝
Nine months	9⅝-9¼	9⅛-9⅛	—	10½-10	9¼-10¾	—	—	—	—	—
One year	9⅛-9⅝	9¾-9⅛	10½	10½-10	9¼-10¾	—	—	—	—	—
Two years	—	—	11⅛-11⅛	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. Longer-term local authority mortgage rate nominally three years 12 per cent.; four years 12½-12¾ per cent.; five years 12⅞-13 per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9⅛ per cent.; four-month trade bills 10 per cent. Approximate selling rate for one-month Treasury bills 8⅞ per cent.; two-month 8⅞ per cent.; and three-month 8⅞ per cent. Approximate selling rate for one-month bank bills 9⅛ per cent.; two-month 9 per cent.; and three-month 9 per cent.; one-month trade bills 9¾ per cent.; two-month 9¾ per cent.; and three-month 9¾ per cent.

φ Finance House Base Rate (published by the Finance Houses Association) 11 per cent. from February 1. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Rates for lending 9½ per cent. Treasury Bills: Average tender rates of discount 8.7691 per cent.

BASE LENDING RATES

Allied Irish Banks; Anglo-Portuguese Bank; Henry Ansbacher; Banco de Bilbao; Banco de Jerez; Bank of Cyprus; Bank of N.S.W.; Banque du Rhône; Barclays Bank; Barnett, Christie; Bremar Holdings; Brit. Bank of Mid. East; ■ Brown Shipley; Canada Permanent; Cayzer, Bowater; Cedar Holdings; ■ Charterhouse Japhet; C. E. Coates; Consolidated Credits; Co-operative Bank; Corinthian Securities; Credit Lyonnais; G. R. Dawes; Duncan Lawrie; English Transcont.; First London Secs.; ■ Antony Gibbs; Goode Durrant; Greyhound Guaranty; Grindlays Bank; ■ Guinness Mahon; ■ Hambros Bank; Hawtin & Partners; ■ Hill Samuel; C. Hoare & Co.; Julian S. Hodge; Industrial Bank; Keyser Ullman; Knowsley & Co.; Lloyds Bank; London & European; London Mercantile; Midland Bank; ■ Samuel Montagu; ■ Morgan Grenfell; National Westminster; Northern Commercial; Norwich General; Portman Guarantee; P. S. Refson & Co.; Rossminster; Schlesinger Ltd.; E. S. Schwab; Security Trust; Shenley Trust; Standard Chartered; Sterling Credit; Thames Guaranty; Trade Development; Twentieth Century; United Bank of Kuwait; Whiteaway Laidlaw; Williams & Glyn's; Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 5½%.
† 7-day deposits on sums under ... over £25,000 ...
‡ Demand deposits ...
‡ Call deposits ...

AUTHORISED UNIT TRUSTS

G.T. Unit Managers Ltd.♥
16, St. Martins-le-Grand, EC2. 01-600 8461

G.T. Cap. Inc.	62.5	64.4	.....	2.60
Do. Acc.	71.7	76.2	.....	2.60
G.T. Inc. Fd. Un.	110.0	117.0	.....	8.40
G.T. U.S. & Gen.	133.7	142.2	.....	1.00
G.T. Japan & Gen.	175.0	186.1	.....	0.60
♦Gt. Pens.Ex.Fd.	116.3	122.0	.....	2.10

G. & A. Tst. Mgrs. (a) (z)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	25.7	27.4	.....	4.77

REGIONAL MARKETS

...n of the share prices previously shown under regional headings i... ...w with quotations on London. Irish issues, most of which are not ...d in London, are shown separately and with prices as on the Irish...

18	.....	Graig Ship. £1	380	+10	Shiloh Spinn.	30	.....
33	.....	Hallam Sleigh 10p	7	.....	Sindall (Wm.)	53	.....
30	+1	Higsons Brew.	100	.....			
150	.....	I.O.M. Stm. £1	138	.....	IRISH		
25	.....	Holt (Jos.) 25p	255	.....			
320	.....	Kleen-e-Ze	18	.....	Alliance Gas (£1)	85	.....
23	.....	Lovell's Ship £1	75	+5	Carroll (P. D.)	117	.....
58	.....	N'thn. Goldsmith	89	.....	Clondalkin	44	.....
25	.....	P.M.A.	52	.....	Concrete Prods.	85	.....
9	.....	Pearce (C. H.)	80	.....	Goodbody (£1)	34	.....
40	.....	Peel Mills	12½	.....	Heiton (Hldgs.)	38	.....
16	.....	Richards 10p	18	+1	Irish Distillers	65	.....
146	.....	RobbCaledonSh.	40	.....	Irish Wire	40	.....
12	.....	Sayers 12½p	17	.....	Jacob	73	.....
75	-1	Sheffield Brick	68	.....	Sunbeam	13	.....
		Sheff. Refrshmt.	140	.....	Unidare	70	.....

...D PRICE MOVEMENTS

	Feb. 12	Week ago	Month ago
	£	£	£
...A.1 per ton†	1,030	1,030	1,030
...A.1 per ton†	940	940	1,010
...pecial per ton† ...	930	930	1,010
...A.1 per ton†	—	—	—
...A.1 per ton§	930	930	1,010
...packet)			
...20 lbs†	8.05- 8.11	8.05- 8.11	8.05- 8.11
...per cwt†	45.39-47.77	45.39-47.77	45.39-47.47
...salted per cwt†...		47.63-49.31	47.63-49.31
...cheddar white			
...ess per tonne	1,008.33	—	—
...tonne	846	846	847.77
...prod. Standard ...	3.20- 3.30	3.00- 3.15	2.55- 2.70
Large	3.40- 3.45	3.30- 3.40	2.90- 3.00
	Feb. 12 per pound p p	Week ago per pound p p	Month ago per pound p p
...h killed sides			
...KKCF)	37.0—39.0	38.0—40.0	39.0—41.5
...orequarters	29.0—31.0	31.0—33.5	28.0—30.0
...ine chilled rumps	—	—	—
... .	34.0—40.0	34.0—38.0	32.0—37.0
...s-PMs	30.0—32.0	30.5—33.0	29.5—33.0
...weights)	29.0—38.0	29.0—38.0	28.0—38.0
...ewes	17.0—22.0	17.0—22.0	16.0—24.0
...chickens	21.5—26.0	22.0—26.0	21.5—26.0

...on Egg Exchange price per 120 eggs. † Delivered. ...ery February 15-22.

...N MEDITERRANEENNE DE BANQUES IN PARIS

...EDITERRANEENNE DE BANQUES, which recently ...erating in PARIS at 10, rue de la Paix, was incor... ...n September 12th, 1975, on the initiative of two ...nd six French Banks.

...of Directors, presided by Mr. Abdelmalek TEMAM, ...also Chairman of the BANQUE NATIONALE ...E, is composed of the following:

...QUE NATIONALE DE PARIS (11.67%) Mr. Mendras
...DIT LYONNAIS (11.67%) Mr. Deflassieux
...ETE GENERALE (11.66%) Mr. Chadenet
...DIT COMMERCIAL DE FRANCE (5%) Mr. du Pre de Saint Maur
...DIT INDUSTRIEL ET COMMERCIAL (5%) Mr. Abeille
...QUE DE PARIS & DES PAYS BAS (5%) Mr. Pezet
...QUE NATIONALE D'ALGERIE (35%) Mr. Zerouta
...DIT POPULAIRE D'ALGERIE (15%) Mr. Kerras
...Hassam, Managing Director, Finance Ministry of ...rian Republic
...us, Manager, Treasury and External Relations, ...E NATIONALE D'ALGERIE
...udieb, Manager, Foreign Department, CREDIT ...IRE D'ALGERIE.

...of the UNION MEDITERRANEENNE DE BANQUES ...port actively the economic relationships between ...d Algeria as well as with other Mediterranean ...and, consequently, it will have an international ...

...status of a commercial Bank, UNION MEDITER... ...E DE BANQUES will certainly open branches in ...nd abroad if necessary—and will offer to its ...a complete range of banking facilities and services:
...eral banking operations
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INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98[illegible]	92[illegible]	Treasury 6½pc 1976‡‡	98[illegible]xd	..	9.18	9.18
99	97	Victory 4pc 1976‡‡	98[illegible]xd	..	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	100⅞	−⅛	10.41	9.29
97¼	88⅞	Treasury 6½pc 1977‡‡	96[illegible]xd	−[illegible]	6.45	9.35
97[illegible]	86[illegible]	Electric 3pc '74-77	97¼xd		3.08	5.66
103[illegible]	96⅞	Treasury 11½pc '77‡‡	101[illegible]	−[illegible]	11.28	10.10
94	84	Treasury 3pc '77‡‡	93⅜	−[illegible]	3.21	7.06
93[illegible]	84[illegible]	Transport 4pc '72-77	93¼	...	4.29	7.97
97[illegible]	90½	Treasury 9pc 1978‡‡	97¼xd	−⅛	9.25	10.52
100[illegible]	96	Treasury 10½pc '78‡‡	100¼	−⅛	10.47	10.37
92[illegible]	79	Exchequer 5pc '76-78‡‡	91⅛	−¼	5.49	8.85
103[illegible]	94[illegible]	Treasury 11½pc '79‡‡	102½xd	−[illegible]	11.22	10.54
86[illegible]	71⅜	Treasury 3pc '79‡‡	86⅝xd	−⅛	3.46	7.29
87[illegible]	73[illegible]	Electric 4½pc '74-79	86⅝	−⅛	4.91	8.62
100[illegible]	94[illegible]	Treasury 10½pc '79‡‡	98[illegible]	−⅛	10.61	10.83
99[illegible]	95[illegible]	Do. 10½ 1979 'A'	98[illegible]	−⅛	10.61	10.83
86[illegible]	71	Electric 3½pc '76-79	85⅞	..	4.09	7.91
95[illegible]	84	Treasury 9pc 1980‡‡	95¼xd	−[illegible]	9.45	10.47
95⅝	89¼	Treasury 9½pc '80‡‡	95	−[illegible]	10.00	10.99
95⅝	92¼	Treas. 9½ 1980	95	−[illegible]	10.00	11.00
86	62¼	Treasury 3½pc '77-80	85xd	−½	4.12	7.62
87⅝	71	Funding 5¼pc '78-80‡‡	86⅛	..	6.10	9.19
103[illegible]	94[illegible]	Treasury 11½pc 1981	102	−⅛	11.27	10.94
		Five to Fifteen Years				
85	66⅛	Treasury 3½pc '79-81	83¾xd	−¼	4.18	7.44
91⅝	72[illegible]	Do. 8½pc '80-82‡‡	90⅞	−¼	9.42	10.77
107¼	86⅝	Treasury 12pc 1983‡‡	101½xd	−¼	11.74	11.55
79[illegible]	58	Funding 5½pc '82-84‡‡	78⅝	−¼	7.03	9.47
86[illegible]	61[illegible]	Treasury 8½pc '84-86‡‡	84¾	−¼	10.12	11.13
74[illegible]	51[illegible]	Funding 6½pc '85-87‡‡	73	−½	9.14	11.04
77⅛	53	Treasury 7¾pc '85-88‡‡	75	−⅛	10.39	11.75
51[illegible]	32[illegible]	Transport 3pc '78-88	48½	−½	6.20	10.57
59¼	39¾	Treasury 5pc '86-89	56⅞	−[illegible]	9.06	11.60
102	96	Treasury 13pc 1990‡‡	98½	−¼	13.34	13.39
75[illegible]	53¼	Treasury 8¼pc '87-90‡‡	73	−⅛	11.51	12.55

Over Fifteen Years

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 66¼% (based on $2.0272 per £)

CANADIANS

[illegible]

S.E. List Premium 66¼% (based on $2.0207 per £)
Conversion factor 0.6028 (0.6034)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا اصل الأصل

INDUSTRIALS—Continued

INSURANCE

PROPERTY—Continued

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

TEXTILES

PROPERTY

TOBACCOS

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

TINS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
56	32	Amal. Nigeria	41xd	......	5.62	1.6	†
183	77	Ayer Hitam	183	+10	13.0	1.8	10.9
36	10	Berali Tin	22	+1	21.75	—	12.2
424	268	Berjuntai SM25	340	+5	‡QSM2	ϕ	‡
18	13	Ex Lands 10p	16	......	15	3.8	14.4
246	153	Geevor	165	......	‡12	2.3	‡
18	8	Gold & Base 12½p	12	......	—	—	—
288	157	Gopeng Cons.	195	+5	11.0	ϕ	8.7
73	55	Hongkong	64	......	—	—	—
67	40	Idris 10p	67	+2	6.7	2.2	15.4
11	6	Jantar 12½p	6	......	—	—	—
68	31	Kamunting 15p	35	+1	‡7.0	1.2	‡
180	135	Killinghall	180	+20	Q50.0	ϕ	27.8
192	106	London Tin 20p	157	+2	7.0	1.3	6.9
220	93	Malay Dredging	187	+5	10.7	2.0	8.8
41	22½	Pahang	36	......	Qh2.6	ϕ	11.1
65	40	Pengkalen 10p	47	+2	7.0	ϕ	22.9
112	75	Petaling SM1	112	......	—	—	—
24	8	Saint Piran	24	+2	—	—	—
135	68	South Kinta (10p)	80	......	‡9.5	1.5	‡
180	73	Sthn. Malayan	122	+6	10.7	0.9	13.5
83	31	Sungei Besi 20p	34	......	‡6.0	3.0	‡
43	29	Sungei Way SM1	31	+1	ZQ10	—	5.6
84	40	Tanjong 15p	47	+2	4.0	ϕ	13.1
75	46	Tongkah Hb SM1	46	......	Q23%	0.6	9.6
93	42	Tronoh	70	+5	†4.02	3.5	8.8

COPPER

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	42	Botswana RST R2	63	−1	—	—	—
390	196	Messina R0.50	290	−15	Q35c	1.9	6.7

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	29½	......	—	—	—
880	360	Cons. Murch. 10c	830	−10	Q80c	ϕ	5.3
53½	29½	Laurasia	40	......	—	—	—
385	200	Northgate C$1	380	−5	tQ25c	1.0	3.6
211	80	R.T.Z.	195	−2	g5.51	4.4	4.3
135	47½	Sabina Inds. C$1	102	−3	—	—	—
81	45	Stanford Mines‖	45	......	—	—	—
£12½	874	Tara Expln. $1	£10¼	......	—	—	—
118	38	Yukon Cons. C$1	110	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ✱ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Based on 1973 profits.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1975. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES

Friday February 13 1976

Angola resistance crumbles before MPLA attacks

BY JANE BERGEROL

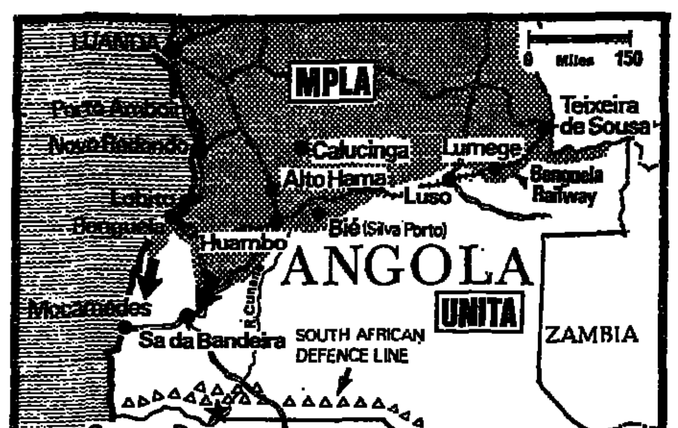
LUANDA, Feb. 1T

FORCES of the MPLA government are now in control of ten out of 14 provincial capitals in Angola following the confirmation this morning of the capture of Bie (formerly Silva Porto), the Unita military headquarters and air supply base on the Benguela railway line.

From Luanda, the war seems to be reaching its final stages with remaining FNLA and Unita forces clearly unable to offer further serious resistance in the face of the joint MPLA-Cuban offensive they are reported in flight towards the Zambia and Namibia borders.

The loss of Bie was confirmed by Unita sources in Lusaka, while unofficial reports in Luanda said that the final Benguela railway town still in Unita hands, Luso, was under heavy pressure.

The MPLA military general staff also announced another gain on the northern front this morning — the crossroads town of Maquela Do Zombo, some 25 miles from the Zaire border. This would leave only Sao Salvador, birthplace of Mr. Holden Roberto, the FNLA leader, still in FNLA hands in the north. There may be other pockets of FNLA troops in the bush still resisting in the furthest north-eastern corner of Angola.



In the extreme south, the National radio team reporting from the southern front said military sources had received information of a retreat by remaining FNLA, Unita and South African forces from N'Giva (formerly Pereira D'eca) and Menongue (Serpa Pinto)— the two southern provincial capitals still unoccupied by the Luanda forces.

N'Giva, only 30 miles inside the Angolan frontier, was a South African base on the main tarmac road running to the border and 700 miles from the Namibian capital of Windhoek. It was first captured by South African forces on August 27 last year.

In Huambo, Angola's second largest city and the former capital of the rival FNLA-Unita alliance, captured last Sunday, MPLA political leader Lucio Lara was to-day reportedly taking stock of the city's plight. Military technicians have managed to restore electricity to the city (without power since last September) and are working on restoring water supplies. An airlift of food supplies for Huambo's civilian population is being organised from Luanda.

Reuter reports from Addis Ababa: Gabon and Upper Volta have brought to 29 the number of African states which recognise the MPLA Government.

● Mr. Karl i Bond Nguza, the Zaire Foreign Minister, admitted in London that the FNLA/Unita forces were collapsing. But Zaire would not recognise the MPLA, he said, without assurances that Soviet and Cuban forces would leave Angola, that Zaire would be able to use the Benguela railway freely and that the 6,000 Katangese mercenaries he said were fighting with the MPLA laid down their arms and returned to Zaire.

He said Zaire wanted to avoid the bloodshed of a guerilla war between Unita and MPLA and hoped the opposing sides would come together. Zaire would like to see all foreign troops, including South Africans, withdraw from Angola, and had now banned mercenaries passing through Zaire to Angola.

Earlier Mr. Nguza discussed the situation in Angola with Mr. Wilson and Mr. Callaghan.

Other Angola news, Page 5

Ulster talks reach impasse

By Giles Merritt in Belfast

ULSTER'S Constitutional Convention has reached an impasse less than ten days after being reconvened for a second re-examination of the power-sharing issue.

Inter-party talks between the Loyalist UUUC coalition and the mainly Catholic Social Democratic and Labour Party broke up abruptly yesterday morning after just over an hour.

The negotiations were the first since the Convention re-assembled on February 3. Although both parties later claimed that in principle they were willing to begin again, the talks seem likely to be the last.

Mr. Ian Paisley, Democratic Unionist leader, linked the SDLP's "planned walk-out" with the death of Provisional IRA hunger-striker Frank Stagg.

He claimed that SDLP leaders wished to demostrate their attitude to the Stagg affair to "certain elements" of the Catholic community in N. Ireland.

In the aftermath of Frank Stagg's death, tension throughout the Province has reached a high pitch, with people fearful of IRA bomb "retaliations."

Outbreak

An outbreak of attempted bombings has occurred already in the centre of Belfast and Army security has been visibly stepped up.

Yesterday morning, business and industry were hit by abnormally high absenteeism as many people decided to stay at home. The problem was compounded by the withdrawal of public transport to Catholic areas of west Belfast as a precaution, while many taxis stayed off the roads.

The Republican movement planned a big torchlight rally through west Belfast last night to protest against the British Government's refusal to recognise Stagg's "political status" and transfer him to a Northern Ireland prison.

The Provisional Sinn Fein, the IRA's political wing, threatened in Belfast: "The Republican movement considers this (Stagg's death) to be a debt of honour, and like all debts of honour it will be repaid."

The UUUC has lost no time in putting the blame for yesterday's breakdown in talks firmly on the SDLP.

But it is clear that the discussions led to bitter exchanges betwen the two sides over whether or not the UUUC was prepared to observe the terms of reference laid down by the British Government on seeking a partnership administration.

THE LEX COLUMN

While others merge Electra splits

There are always different points of view in the investment trust world. Yesterday the Scottish and Second Scottish trusts announced plans to amalgamate into a new £102m. fund, and among the unit trusts Slater Walker was also proposing to group funds together. But just in case anybody got the idea that mergers had become the fashion, Cable Trust and Globe Investment Trust unveiled their scheme to split off their jointly owned subsidiary Electra Investment Trust and offer for sale just over a quarter of the shares at 87p.

The specific reason for hiving off Electra is that without a separate quotation it would have lost investment trust status. To justify its independent status the managers are embarking on a distinctive investment policy, with the conventional portfolio likely to be reduced from 84 to some 50 per cent. of assets over the years. Eventually up to half the portfolio will consist of unlisted securities, and about 10 per cent. in due course may represent investments in small private and public companies taken up through a new contract with Development Capital.

In the short run, however, Cable and Globe might have been better off just absorbing Electra — the disposal at a discount of 27½ per cent. cuts the two parent trusts' assets by 2p or 3p a share. And the rather incentuous nature of the Electra House group is perpetuated, for Globe owns a third of Cable and Cable a fifth of Globe, while each retains 37 per cent. of Electra. In the long run there must be arguments in favour of unwinding this tangle, though it is emphasised that Cable and Globe are long term holders of Electra — there will be no tap.

As for the offer for sale (a scrip or rights issue to Cable and Globe shareholders was rejected for tax reasons) there should be scope for a small premium. The discount on assets is a few points more than for Globe and Cable, and although investment trusts have been hit by institutional switching out of low yielding sectors, Electra's offered yield of 6.4 per cent. gives it an advantage here.

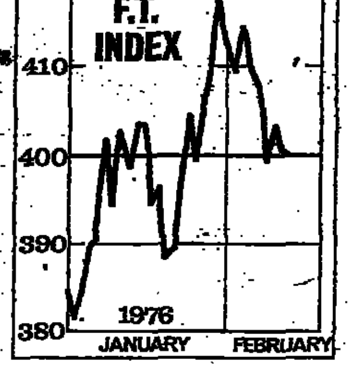
Rights issues

A popular myth about rights issues is that they pro-

Index fell 0.3 to 400.0

vide a cheap way into equities but nearly 12 months and £1.4bn. on from the Ranks Hovis issue which started it all off the evidence suggests that there is a purely random chance of beating the market. Of the 37 companies raising more than £5m. in Ordinary shares between February and the end of September, only 16 have out-performed the All-Share index starting from the adjusted price on the night before the issue was announced.

There is a wide spread of performances with nearly half the companies diverging by more than a tenth from the market—mainly on the plus



side. But rights issues as such only appear to be a significant influence in cases, like Hanson, BTR and Euroferries, where the dividend was increased by much more than would otherwise have been allowed. Apart from this, the strong performers include EMI—where the spectacular rise in the shares is almost all to do with the scanner—and BPB and Redland, both in a sector which was a market leader in the second half of last year. Similarly, while Associated Engineering's shares have been outstanding since the issue, Lucas has risen even faster.

A rights issue itself also seems to have little bearing on the main under-performers even where a large part of an issue has been left with the underwriters: Smiths Industries' shares have beaten the index while BOC's only lag a few points behind. In general, there

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Metal—have under
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Rolls-Royce compromise in sight

By Adrian Hamilton

A COMPROMISE solution to the bitter public quarrel between Sir Kenneth Keith of Rolls-Royce (1971) and Lord Ryder of the National Enterprise Board seems to have been reached.

After a meeting between the two men and the Department of Industry yesterday, a joint statement said that "discussions have now reached an advanced stage and subject to certain clarifications it is hoped that proposals can be submitted to the respective Boards in the near future."

The proposals, in the form of a written agreement setting out the points at which Rolls-Royce will report to the NEB, and the areas in which it can continue to discuss its affairs directly with the Government, are expected to go before the Boards either to-day or early next week.

Under the agreement, the details of which had last night yet to be revealed, Sir Kenneth seems to have won his case for having the clear right of direct access to the Government on issues of major aero-engine developments, with only minimal consultation with the NEB.

It was on this point that Sir Kenneth insisted from the start, arguing that Rolls-Royce's unique role in aerospace development, and the distinct nature of its financial needs, required that it be treated as a part of broad Government policy rather than simply as a State investment through the NEB.

On the other hand Rolls-Royce has had to accept the NEB's right of continuous financial monitoring of its performance.

Hospital consultants split on private practice plans

BY CHRISTIAN TYLER, LABOUR STAFF

OVER 2,000 of the estimated 13,000 hospital consultants have declared themselves ready to resign if the Government goes ahead with legislation to remove private practice from National Health Service hospitals.

But more than twice that number, while they may oppose legislation in principle, are ready to accept a compromise timetable for the phase-out.

These figures emerged yesterday from a ballot of all consultants by the British Medical Association, which drew the surprisingly low response rate of 54 per cent.

The doctors who replied were clearly in favour of the BMA campaign to keep private practice in the NHS and even more clearly opposed to additional Government control over the growth of the private sector.

As a result of the ballot, leaders of the consultants are calling off "emergencies-only" industrial action which was officially imposed several months ago but which appears to have had little support.

The news was welcomed last night by Mrs. Barbara Castle, Social Services Secretary, who had just faced an angry delegation from the National Union of Public Employees protesting that the Government was being too slow and too lenient in interpreting its manifesto commitment to divorce public and private medicine.

Of the 7,039 who voted in the ballot (because of a mix-up several hundred doctors may have been missed) 5,165 said they objected to the separation of private practice, while 1,834 said they did not. Just under 6,000 oppose licensing of the private sector. Only 866 agree with it.

And 63 per cent., 4,438, accept the compromise method of phasing out paybeds engineered by Lord Goodman; 2,048 do not accept it and have sent undated resignation forms to the BMA for possible future use.

The Goodman proposal, to be discussed further, is that 1,000 of the 4,000 NHS paybeds would be abolished six months after legislation received the Royal Assent. The rest would be removed gradually by an independent Board, including doctors.

Over half the foreign doctors who took a proficiency test to work or Britiain failed. Results announced by the General Medical Council yesterday show that of 105 candidates who took the test 66 failed and 39 passed.

Holiday pushes down output

BY MICHAEL BLANDEN

THE LEVEL of industrial production in the U.K. slipped slightly in December, according to the latest statistics released by the Government.

For all industries, the seasonally adjusted index dropped from 101.5 to 100.6 (average 1970 =100) while manufacturing industry fell from 101.1 to 99.8.

However, the setback is thought to have been due partly to the changing pattern of holidays at the end of the month. In the final quarter of 1975 industrial production ran 1.2 per cent. higher than in the third.

The conclusions of the Whitehall statisticians about the implications of the figures are still rather tentative because of uncertainties about the basis on which they are calculated.

It is felt that the estimates still indicate that U.K. industrial production has at least reached the bottom of the recessionary cycle, and levelled out after the sharp decline earlier in the year.

This supports the more hopeful views which have been coming from Government and industry. These were reflected in the recent Confederation of British Industry survey which showed the first signs of an export-led recovery from the recession.

The output figures have not yet begun to indicate a substantial recovery in the level of activity, and the CBI tempered its optimism with the warning that unemployment in manufacturing was likely to continue climbing for a few months due to low-capacity working in industry.

Interpretation of the figures is made difficult by the distortions of their being based largely on deliveries rather than output. This produced overstatement of the production level in the second and third quarters estimated at about ¼ per cent. and ½ per cent. respectively. Provisional evidence suggests there was some overstatement in the fourth quarter.

Against this, the December estimates may be slightly depressed because the seasonal adjustments applied to the figures have not taken account of the more extended holiday closure of factories at the New Year.

On present estimates production has levelled out at rates well below the peaks in the third quarter of 1974. In the final quarter of last year the index for all industries was 3½ per cent. below the level a year earlier but 6½ per cent. below the third quarter of 1974.

In manufacturing industry alone the last quarter of 1975 saw production at a level 5 per cent. lower than in the final quarter of the previous year, but more than 8 per cent. down on the peak 1974 third quarter.

Among individual sectors there were some sharp recoveries between the third and fourth quarter of 1975. Metal manufacture was up by 9.5 per cent. and chemicals by 3.9 per cent. The engineering industry remained depressed, with a drop of 0.5 per cent.; and textiles, leather and clothing saw a 2.7 per cent. fall.

INDUSTRIAL PRODUCTION

1970=100
Seasonally adjusted

	All Industries	Total Manufacturing
1974 1st qtr.	104.4	106.5
2nd qtr.	107.9	109.4
3rd qtr.	108.3	109.6
4th qtr.	104.8	105.7
1975 1st qtr.	104.8	106.1
2nd qtr.	100.2	100.4
3rd qtr.	100.0	100.1
4th qtr.	101.2	100.7
July	100.6	100.9
August	98.8	98.9
September	100.5	100.5
October	101.5	101.2
November	101.5	101.1
December	100.6	99.8
% 3-month on 3-month change	+1.2	+0.6

Three groupings make plans to share rigs

OFFSHORE operator companies in three groupings are now trying to put together rig-sharing programmes for resumption of drilling in the British sector of the Celtic Sea during the spring and summer.

One proposal involves Amoco and the British Gas Council in a plan in which Texaco has also been approached. Shell Expro, with exclusive interests in 12 blocks, is still trying to further a plan to farm out a semi-submersible rig.

Lockheed silent on 'resignations' report

BY GUY DE JONQUIERES

NEW YORK, Feb. 12.

CLARIFICATION is keenly awaited from Lockheed Aircraft about the future of Mr. Daniel Haughton, its chairman, after a report that he might be forced to resign over the foreign payments scandal.

Spokesmen at Lockheed's headquarters at Burbank, California, refused flatly to-day to comment on a report by the New York Times aerospace correspondent that industry and Government sources expected Mr. Haughton and Mr. A. C. Kotchian, the company's president and vice-chairman, to step down in a matter of days or weeks.

Mr. Haughton, 64, has been chairman since 1967 and is due to retire in September to become a consultant to the company. The NYT suggested that an immediate change in Lockheed's top management might be needed to clean up its image and to avoid further damage to business operations.

Last month the Board of Gulf Oil dismissed Mr. Bob Dorsey, its chairman, and three senior executives after an independent investigation, said it had distributed more than $12m. illegally in the U.S. and abroad. Lockheed has admitted making foreign payments of $22m., including $7m. to a Japanese middleman and $1.1m. to a senior Dutch "official," since said to be identified at Prince Bernhard.

There have already been indications that Lockheed's business has suffered directly as a result of the bribery scandal. The Japanese Government is reported to have cancelled a $1.3bn. order for 100 anti-submarine aircraft, though this was not confirmed by Lockheed.

It is feared that any further setbacks may jeopardise the company's financial health.

The outlook for Lockheed's major commercial programme, the Rolls-Royce-powered L-1011 Tristar, is also clouded with uncertainty.

The U.S. Securities and Exchange Commission is taking legal action to force Boeing to disclose information on whether it has made any unreported foreign payments and on "possible falsification of corporate records."

Weather

U.K. TO-DAY

SHOWERS in E., mainly dry in W.

London, S.E. England, E. Anglia, Channel Is.

Rain at first, brighter later. Wind N.W., fresh.

Wind N.W., fresh. Max. 7C (45F).

E. and N.E. England, Borders

Bright intervals, showers. Wind N., fresh. Max. 6C (43F).

Cent. S., S.W., Cent. N. and N.W. England, Midlands, Wales, Lakes, I. of Man W. Scotland

Mainly dry. Wind N.W., fresh. Max. 7C (45F).

Rest of Scotland

Showers and bright intervals. Wind N.E., fresh. Max. 4C (39F).

N. Ireland

Bright Perhaps rain later. Wind N.W., moderate. Max. 6C (43F).

Outlook: Rain spreading from W.

Lighting-up: London 17.39, Manchester 17.43, Glasgow 17.44, Belfast 17.55.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	C	5	41	Madrid	S	8	46
Athens	C	13	55	Manchstr.	R	6	43
Bahrain	S	14	57	Melbourne	C	23	73
Barcelona	S	12	54	Mexico C.	S	18	64
Beirut	C	11	52	Milan	S	6	43
Belfast	D	9	48	Montreal	C	−13	9
Belgrade	C	−1	30	Moscow	S	−8	18
Berlin	Sn	2	36	Munich	F	0	32
Birmnghm	R	6	43	Newcastle	C	6	43
Bristol	R	7	45	New York	S	5	41
Brussels	C	5	41	Oslo	Sn	−1	30
Budapest	C	−4	25	Paris	C	6	43
B. Aires	S	25	77	Perth	C	25	77
Cairo	S	17	63	Prague	C	2	36
Cardiff	R	8	46	Reykjavik	F	−1	30
Cologne	R	4	39	Rio de J'o	S	27	81
Copenhagn	C	1	34	Rome	F	12	54
Dublin	R	11	52	Singapore	S	31	88
Edinb'gh	C	8	46	Stockholm	Sn	−2	28
Frankfurt	Sn	2	36	Strasbourg	C	2	36
Geneva	F	3	37	Sydney	D	20	68
Glasgow	C	10	50	Tehran	S	10	50
Helsinki	S	−9	16	Tel Aviv	C	14	57
H. Kong	S	20	68	Tokyo	S	6	43
Jo'burg	C	21	70	Toronto	C	0	32
Lisbon	S	13	55	Vienna	C	−4	25
London	C	8	46	Warsaw	Sn	−8	18
Luxemb'g	Sn	0	32	Zurich	F	2	36

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	C	10	50	Las Plms.	C	18	64
Biarritz	F	10	50	Locarno	S	10	50
Blackpool	R	7	45	Majorca	F	13	55
Boulogne	R	6	43	Malaga	F	16	61
Casablnca.	C	15	59	Malta	R	13	55
Cape Tn.	S	24	75	Nairobi	S	25	77
Corfu	R	10	50	Naples	F	12	54
Dubrovnik	R	6	43	Nassau	S	23	73
Faro	S	13	55	Nice	S	13	55
Funchal	S	15	59	Oporto	S	11	52
Gibraltar	S	18	64	Rhodes	C	12	54
Guernsey	R	5	41	Salzburg	F	1	34
Innsbruck	Sn	2	36	Tangier	F	16	61
Inverness	C	8	46	Tenerife	C	13	55
I. of Man	C	9	48	Tunis	C	15	59
Istanbul	Fg	3	37	Valencia	S	14	57
Jersey	R	7	45	Venice	F	7	45

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow. D—Drizzle. Fg—Fog.

Continued from Page 1

Healey opens £215m. package

The fact that the package has grown within the past week in part reflects the competition for funds from both the Manpower Services Commission and the Department of Industry.

But it is principally attributable to the increasing concern about the rising trend of unemployment being shown by both the UC and Ministers themselves.

The pressures on the Government from the unions were underlined last night when the TUC, while giving "an unqualified welcome" to the latest package, added: "Now for a Budget which will reinforce and extend to-day's interim action."

Yesterday's measures are the latest in a long series of "between Budget" moves to alleviate unemployment and help investment in a situation where general reflation is regarded as out of the question.

Altogether the measures announced at various times since September add up to a gross total of some £640m.

It appears however that, on the basis of the offset applied for savings in unemployment benefit and so on, the "net" cost of all these measures may be around £400m., and the effect on jobs, according to Mr. Healey himself in the Commons yesterday, is put at an ultimate 150,000 jobs.

Richard Evans, Lobby Correspondent, writes: Mr. Healey's package was given a modest welcome by both Conservative and Labour MPs. To the Chancellor's evident relief, Mr. Eric Heffer, a touchstone of Left-wing opinion, decalerd the package was "much better than some of us expected."

Sir Geoffrey Howe, "shadow" Chancellor, was relieved Mr. Healey had again set a course against general reflation, but he was critical of Government policy in general "for helping to destroy jobs by huge increases in public spending."

The general opinion in the lobbies among Labour backbenchers after the statement was that Mr. Healey has done as ell as could be expected with the limited resources at his disposal.

The Tribune Group of Left-wingers held their fire, but made it clear they intended to continue to press their policies —on an early reflation and selective import controls.

But in the Commons exchanges, the Chancellor went out of his way to attack a confidential Labour party document leaked in some newspapers yesterday which painted a particularly gloomy picture of economic prospects and of the unemployment situation for the next two years.

Mrs. Judith Hart, a Left-wing member of Labour's National Executive, sternly told Mr. Healey that the Transport House paper had considerable economic authority behind it. "Do not close your mind to a medium-term strategy of import controls," she warned.

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